

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

TIME INFRASTRUCTURE HOLDINGS LIMITED

太 益 控 股 有 限 公 司*

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

VERY SUBSTANTIAL ACQUISITION; PLACING OF NEW SHARES UNDER SPECIFIC MANDATE; INCREASE IN AUTHORISED SHARE CAPITAL AND RESUMPTION OF TRADING

Financial adviser to Time Infrastructure Holdings Limited



Placing agent



睿 智 金 融 國 際 有 限 公 司
VISION FINANCE INTERNATIONAL COMPANY LIMITED

THE ACQUISITION

The Vendors, the Purchaser and the Company entered into the Acquisition Agreement on 13 July 2010 and the Supplemental Agreement on 19 July 2010 pursuant to which (i) the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares; and (ii) the Vendors have conditionally agreed to sell and assign to the Purchaser and the Purchaser has conditionally agreed to purchase and take up an assignment of the Shareholders Loan, at the aggregate Consideration of HK\$1,000 million.

The Consideration of HK\$1,000 million shall be payable to Jet Mile as directed by the Vendors as to (i) HK\$100 million in cash payable by the Purchaser to Jet Mile; (ii) HK\$50 million by way of allotment and issuance of 92,936,803 Consideration Shares by the Company to Jet Mile or its nominee; and (iii) HK\$850 million by way of issuance of the Convertible Note by the Company to Jet Mile or its nominee. The Consideration is subject to adjustment as disclosed in the section headed “Adjustment to the Consideration” below.

* For identification purpose only

THE PLACING

On 14 July 2010, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent (or its sub-placing agents), on a best effort basis, up to 280,000,000 Placing Shares to independent placees at HK\$0.50 per Placing Share.

The 280,000,000 Placing Shares represent (i) approximately 83.90% of the existing issued share capital of the Company; (ii) approximately 45.62% of the issued share capital of the Company as enlarged by the issue of the Placing Shares; and (iii) approximately 39.62% of the issued share capital of the Company as enlarged by the issue of the Placing Shares and the Consideration Shares.

The net proceeds from the Placing is estimated to be approximately HK\$133.5 million, which will be used for the settlement of the cash payment of the Consideration and general working capital of the Group. The net proceeds raised per Placing Share will be approximately HK\$0.477.

INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY

The Board proposes to increase the Company's authorised share capital from HK\$100,000,000 divided into 1,000,000,000 Shares to HK\$500,000,000 divided into 5,000,000,000 Shares by the creation of an additional 4,000,000,000 new Shares. An ordinary resolution will be put forward at the SGM for the proposed increase in the Company's authorised share capital.

GENERAL

The Acquisition constitutes a very substantial acquisition for the Company and is subject to approval by the Shareholders by way of poll pursuant to Chapter 14 of the Listing Rules. The Placing Shares will be issued under a specific mandate to be obtained at the SGM.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, (i) to approve the Acquisition Agreement and the transactions contemplated thereunder, including the allotment and issue of the Consideration Shares and the creation and issue of the Convertible Note together with the allotment and issue of the Conversion Shares pursuant to the exercise of the Conversion Rights; (ii) to approve the Placing Agreement and the transactions contemplated thereunder, including the allotment and issue of the Placing Shares under a specific mandate; and (iii) to approve the increase in the authorised share capital of the Company. No Shareholder is required to abstain from voting in favour of the resolutions to be proposed at the SGM.

A circular containing, among others, (i) further details of the Acquisition and the Placing; (ii) details of the proposed increase in the authorised share capital of the Company (iii) financial and other information on the Group; (iv) financial and other information on the Target Group; (v) pro forma financial information of the Enlarged Group; and (vi) the notice of the SGM, will be despatched to the Shareholders. Since additional time will be required for preparation of the accountants' report of the Target Group, certain financial information of the Group and the pro forma financial information of the Enlarged Group, the Company expects that the circular will be despatched on or before 13 September 2010.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 13 July 2010 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 20 July 2010.

THE ACQUISITION AGREEMENT

Date

The Acquisition Agreement was entered on 13 July 2010 and the Supplemental Agreement was entered on 19 July 2010.

Parties

Purchaser: Fortune Arena Limited, a wholly-owned subsidiary of the Company

Vendors: (i) Mr. Hung Chao Hong, holding 100% of the issued share capital of Jolly Wood;
and

(ii) Mr. Hong Zhonghai, holding 100% of the issued share capital of City Mark.

Issuer: the Company

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendors is an Independent Third Party as at the date of the Acquisition Agreement.

Subject matter of the Acquisition Agreement

Pursuant to the Acquisition Agreement, (i) Mr. Hung and Mr. Hong have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase, the Hung CH Sale Share and the Hong ZH Sale Share respectively; and (ii) Mr. Hung and Mr. Hong have conditionally agreed to sell and assign to the Purchaser and the Purchaser has conditionally agreed to purchase and take up an assignment of the Hung CH Shareholder Loan and the Hong ZH Shareholder Loan respectively.

The Hung CH Sale Share represents the entire issued share capital of Jolly Wood and the Hong ZH Sale Share represents the entire issued share capital of City Mark. Jolly Wood and City Mark are investment holding companies. Jolly Wood and City Mark hold 66.7% and 33.3% of Goldpoly International respectively.

Upon Acquisition Completion, each of Jolly Wood, City Mark and Goldpoly International will become an indirect wholly-owned subsidiary of the Company.

Consideration

The aggregate Consideration for the Sale Shares and the Shareholders Loan is HK\$1,000 million (subject to adjustment as described in the section headed “Adjustment to the Consideration” below), which shall be payable by the Purchaser to Jet Mile as directed by the Vendors in the following manner upon Acquisition Completion:

- (1) as to HK\$100 million shall be payable by the Purchaser to Jet Mile in cash;
- (2) as to HK\$50 million by way of allotment and issuance of 92,936,803 Consideration Shares by the Company to Jet Mile (or its nominee); and
- (3) as to HK\$850 million by way of issuance of the Convertible Note by the Company to Jet Mile (or its nominee).

Basis of the Consideration

The Consideration was agreed at after arm’s length negotiations between the Vendors and the Purchaser after taking into account (i) the prospects of the Goldpoly Group; (ii) the benefits of the Acquisition as discussed in the section headed “Reasons for and benefits of the Acquisition” below; (iii) the average PAT of the Target Group per financial year during the Profit Guarantee Period as if guaranteed by the Vendors by means of the adjustment mechanism as detailed in the paragraph headed “Adjustment to the Consideration” below of not less than HK\$80 million; (iv) a price to earnings multiple of 12.5 times based on the said guaranteed PAT of HK\$80 million for each financial year during the Profit Guarantee Period as referred to in (iii), with reference to price to earnings multiples of companies engaged in similar business.

Adjustment to the Consideration

The Purchaser and the Vendors agreed that where the average PAT for each financial year during the Profit Guarantee Period is less than HK\$80 million, the Consideration shall be adjusted in accordance with the following formula:

$$AC = P \times ER$$

where

“AC” is the adjusted Consideration;

“P” is the average PAT per financial year during the Profit Guarantee Period provided that where the average PAT is more than HK\$80 million, P shall be deemed to be HK\$80 million; and

“ER” is 12.5, being the approximate price to earnings multiple calculated based on the Consideration and the guaranteed average PAT of HK\$80 million for each financial year during the Profit Guarantee Period. When the Consideration is adjusted, it shall be reduced by the amount (“**Reduced Amount**”) as calculated in accordance with the following formula:

$$RA = C - AC$$

where

“RA” is the Reduced Amount;

“C” is the Consideration; and

“AC” is the adjusted Consideration determined.

The Vendors undertake to pay to the Purchaser, within 90 days from being notified by the Purchaser and upon receiving the Audited Accounts, the Reduced Amount, which shall be satisfied in the following order of priority:

- (a) by reducing the principal amount of the Convertible Note in the sum equal to the Reduced Amount; and
- (b) in the event that the principal amount of the Convertible Note is not sufficient to meet the Reduced Amount, by way of cash as to the remaining balance subject to a maximum limit of HK\$150,000,000;

provided that, in case of any Reduced Amount, the Vendors shall return the note certificate to the Purchaser within 90 days from the date of notification by the Purchaser as aforesaid for cancellation by the Company; and should there be any outstanding balance after reducing the principal amount of the Convertible Note, the Purchaser shall deliver to the Vendors within 30 days from the date of return of the note certificate by the Vendors, a new note certificate in the principal amount equal to such

outstanding balance; and should the principal amount of the Convertible Note be not sufficient to meet the Reduced Amount, the Vendors shall pay to the Purchaser a sum equal to the Reduced Amount less the principal amount of the Convertible Note within 30 days from the date of return of the note certificate by the Vendors, such payment to be subject to a maximum limit of HK\$150,000,000.

The PAT in respect of the Profit Guarantee Period shall be such amount as shown in the Audited Accounts as audited by the auditors of the Target Group adopting the accounting principles and practices generally accepted in Hong Kong. The auditors of the Target Group shall act as an expert and not an arbitrator in auditing the Audited Accounts and their determination shall be final and conclusive and binding on the parties. The Audited Accounts shall be prepared with the assistance by both the Vendors and the Purchaser and shall be delivered to them within four months after the end of the Profit Guarantee Period.

The average guarantee profit of HK\$80 million for each financial year during the Profit Guarantee Period was determined after arm's length negotiations between the Purchaser and the Vendors taking into account (i) that the net profit of the Goldpoly Group has risen sharply since the first quarter of 2010 due to the increase and establishment of its production capacities; (ii) that the excess market demand for silicon solar cells is expected to continue to drive the growth of the Goldpoly Group's revenue and profit; and (iii) the Goldpoly Group's current business plan to expand its production capacity by the end of 2010.

Conditions precedent

Acquisition Completion is conditional upon the fulfillment of the following conditions:

- (i) the issue of a legal opinion or legal opinions recognised from a PRC practicing law firm addressed to the Purchaser in such form and contents to the satisfaction of the Purchaser dealing with, inter alia, the due incorporation, power and capacity of the subsidiaries of Goldpoly International established in the PRC, any necessary governmental or regulatory consent, licences and approvals and compliance with all the relevant laws, rules and regulations in respect of the transactions contemplated under the Acquisition Agreement and matters relating thereto;
- (ii) the Purchaser being satisfied in all respects with the results of the due diligence investigations to be carried out by the Purchaser on the Target Group, including but not limited to, (a) the business, financial, legal and other conditions of the subsidiaries of Goldpoly International established in the PRC; (b) the shareholding structure of the Target Group; and (c) the validity of the intellectual property rights owned by the Target Group;
- (iii) all necessary approvals, permits, consents and authorisation from governmental, official authorities and any third party having been obtained by the Target Group in connection with the Acquisition Agreement and the transactions contemplated thereunder, whether pursuant to law, regulatory compliance or otherwise;
- (iv) the completion of the reorganisation of the Target Group to the reasonable satisfaction of the Purchaser;

- (v) the passing of ordinary resolution(s) at the SGM by the Shareholders to approve (i) the terms of the Acquisition Agreement and the transactions contemplated thereunder, including the purchase of the Sale Shares, the issue of the Consideration Shares and the Convertible Note, and the allotment and issue of the Conversion Shares upon conversion of the Convertible Note; and (ii) the increase in the authorised share capital of the Company;
- (vi) the Listing Committee of the Stock Exchange granting (either unconditionally or subject only to conditions to which neither the Purchaser nor the Vendors shall reasonably object) listing of and permission to deal in the Consideration Shares and the Conversion Shares;
- (vii) all necessary approvals, permits, consents and authorisation from governmental, official authorities and any third party having been obtained by the Group in connection with the Acquisition Agreement and the transactions contemplated thereunder, whether pursuant to law, regulatory compliance or otherwise;
- (viii) there not have been, at any time after 31 December 2009 (being the date of the most recent annual report of the Company) and before the Acquisition Completion, any change, event, occurrence, state of facts or effect, the consequence of which is to, or could be reasonably expected to adversely affect the financial position, management, business, property, results of operations, legal or financing structure, business prospects, assets or liabilities of the Group;
- (ix) there not have been, at any time after 31 December 2009 and before the Acquisition Completion, any change, event, occurrence, state of facts or effect, the consequence of which is to, or could be reasonably expected to adversely affect the financial position, management, business, property, results of operations, legal or financing structure, business prospects, assets or liabilities of the Target Group;
- (x) the representations, warranties and undertakings of the Purchaser and the Company contained in the Acquisition Agreement remaining true and correct in all respects and not misleading in any respect at Acquisition Completion as if repeated at all times between the date of the Acquisition Agreement up to Acquisition Completion;
- (xi) the representations, warranties and undertakings of the Vendors contained in the Acquisition Agreement remaining true and correct in all respects and not misleading in any respect at Acquisition Completion as if repeated at all times between the date of the Acquisition Agreement up to Acquisition Completion; and
- (xii) simultaneous completion of the Placing.

In the event that the above conditions precedent are not fulfilled on or before the Acquisition Long Stop Date, or such later date as the parties to the Acquisition Agreement may agree in writing, the Acquisition Agreement shall become null and void and be of no further effect whatsoever and all the obligations and liabilities of the parties under the Acquisition Agreement shall cease and determine (save for any antecedent breaches of the Acquisition Agreement).

The Acquisition Agreement does not provide for any right of any of the Vendors or the Purchaser to waive any condition precedent.

Completion of the Acquisition

Acquisition Completion shall take place on a day falling within next 5 Business Days immediately following the fulfillment of the conditions precedent set out in the Acquisition Agreement or such other date as the parties thereto may agree.

Composition of the Board

Pursuant to the Acquisition Agreement, at the time of Acquisition Completion, the Vendors shall have the right to nominate two new executive Directors and one new non-executive Director. The appointment of the new Directors to be nominated by the Vendors is subject to the approval of the Board. For the avoidance of doubt, neither Mr. Hung nor Mr. Hong nor their respective associates shall be nominated as Directors as a result of the Acquisition Completion. Further announcement will be made by the Company in relation to any change of the composition of the Board in compliance with the Listing Rules.

Non-competition undertaking

The Vendors covenant with and undertake to the Purchaser that after the Acquisition Completion the Vendors shall not directly or indirectly engage or be engaged in Hong Kong or those regions and markets within the PRC or elsewhere in which any member of the Target Group operates or has operated any part of the business of the Target Group from time to time, whether directly or indirectly, in any business which is in competition with or similar to the business of the Target Group.

THE CONSIDERATION SHARES

Upon Acquisition Completion, the Company will allot and issue, credited as fully paid, an aggregate of 92,936,803 Consideration Shares at an issue price of HK\$0.538 per Consideration Share to Jet Mile (or its nominee) as partial settlement of the Consideration for the Acquisition.

The 92,936,803 Consideration Shares represent (i) approximately 27.85% of the existing issued share capital of the Company; (ii) approximately 21.78% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares (assuming no outstanding Share Options and conversion rights attached to the Convertible Debentures has been exercised prior to the Acquisition Completion); (iii) approximately 13.15% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Placing Shares (assuming no outstanding Share Options and conversion rights attached to the Convertible Debentures has been exercised prior to the Acquisition Completion); and (iv) approximately 4.06% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares, the Placing Shares and the Conversion Shares (assuming the exercise of the Conversion Rights in full and no outstanding Share Options and conversion rights attached to the Convertible Debentures has been exercised prior to the Acquisition Completion). The Consideration Shares are not subject to any lockup restrictions.

The issue price of HK\$0.538 per Consideration Share was arrived at after arm's length negotiation between the Company and the Vendors taking into account the recent prices of the Shares. The issue price of the Consideration Shares represents:

- a discount of approximately 17.23% to the closing price of HK\$0.65 per Share on the Last Trading Day;
- a discount of approximately 2.18% to the average closing price of HK\$0.55 per Share for the last 5 trading days up to and including the Last Trading Day; and
- a discount of approximately 3.06% to the average closing price of HK\$0.555 per Share for the last 10 trading days up to and including the Last Trading Day.

CONVERTIBLE NOTE

Upon Acquisition Completion, the Company will create and issue to Jet Mile (or its nominee) the Convertible Note as partial settlement of the Consideration for the Acquisition.

Upon exercise of the Conversion Rights in full, the Company will allot and issue 1,579,925,651 Conversion Shares, representing (i) approximately 4.73 times of the existing issued share capital of the Company; and (ii) approximately 69.09% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares, the Placing Shares and the Conversion Shares upon the exercise of the Conversion Rights in full (assuming no outstanding Share Options and conversion rights attached to the Convertible Debentures has been exercised). The aggregate nominal value of the Conversion Shares will be HK\$157,992,565 assuming the Conversion Rights are exercised in full.

No application will be made for the listing of, or permission to deal in, the Convertible Note on the Stock Exchange or any other stock exchange.

Principal terms of the Convertible Note

The principal terms of the Convertible Note are summarised below:

(1) *Principal amount*

HK\$850 million in aggregate (subject to adjustment as set out in the paragraph headed "Adjustment to the Consideration" above).

(2) *Interest*

The Convertible Note will not bear any interest.

In an event of default, interest at the rate of 15% per annum over the principal in respect of the Convertible Note will be accrued from the payment due date or the Maturity Date (as the case may be) up to the date of actual payment (both dates inclusive) of the full amount (both before and after judgement).

(3) *Maturity Date*

The Convertible Note shall mature on the date falling 5 years from the Issue Date. The total outstanding principal amount of the Convertible Note shall be repaid to the Noteholder on the Maturity Date. However, upon mutual agreement between the Noteholder and the Company, the Company may redeem the outstanding principal amount of the Convertible Note or any part thereof at a price equal to 100% of such relevant outstanding principal amount of the Convertible Note at any time prior to such maturity.

(4) *Conversion Period*

The Noteholder shall only be entitled to exercise its/his Conversion Rights after the expiry of the Lockup Period.

No Conversion Rights may be exercised by the Noteholder (i) if upon conversion, all the Shares (including the Conversion Shares issued or to be issued) held by the Noteholder, its associates (as defined under the Listing Rules) and persons acting in concert (as defined under the Takeovers Code) on the relevant date of conversion will reach (1) 20% or more of the then issued share capital of the Company as enlarged by such conversion or (2) such amount of the issued share capital of the Company which will trigger a mandatory offer under Rule 26 of the Takeovers Code, whichever is the lower (“**Maximum Limit**”) and in this connection, prior written confirmation shall be given by the Noteholder to the Company confirming that all the Shares (including the Conversion Shares issued or to be issued) held by the Noteholder, its associates (as defined under the Listing Rules) and persons acting in concert (as defined under the Takeovers Code) immediately upon conversion will not reach the Maximum Limit; or (ii) if there will not be sufficient public float of the Share as required under the Listing Rules.

Any conversion shall be made in amounts of not less than a whole multiple of HK\$1 million on each conversion unless the principal amount of the outstanding Convertible Note is less than HK\$1 million in which case the whole (but not part only) of such outstanding principal amount of the Convertible Note shall be converted.

(5) *Conversion Price*

HK\$0.538 per Conversion Share, subject to adjustments in the event of, inter alia, consolidation or subdivision of the Shares with which the Shares become of a different nominal amount, issue of Shares by way of capitalisation of profits or reserves, capital distributions in cash or specie, subsequent issue of securities in the Company by way of rights issue, or grant of options or warrants or other convertible securities, or consideration issue at a price which is less than 80% of the then market price of the Shares.

The Conversion Price of HK\$0.538 was determined after taking into account the recent prices of the Shares. The Conversion Price represents:

- a discount of approximately 17.23% to the closing price of HK\$0.65 per Share on the Last Trading Day;
- a discount of approximately 2.18% to the average closing price of HK\$0.55 per Share for the last 5 trading days up to and including the Last Trading Day; and
- a discount of approximately 3.06% to the average closing price of HK\$0.555 per Share for the last 10 trading days up to and including the Last Trading Day.

(6) *Conversion Shares*

The Conversion Shares will rank *pari passu* in all respects amongst themselves and with the Shares in issue on the relevant date of conversion and be entitled to all dividends and other distributions the record date of which falls on a date on or after the relevant date of conversion.

(7) *Transferability*

No assignment or transfer (whether in whole or in part(s)) of the Convertible Note may be made by the Noteholder provided that (i) the Noteholder shall give a written notification to the Company at least 5 Business Days prior to each proposed assignment or transfer; and (ii) the Noteholder undertakes to give a written notification to the Company at least 5 Business Days prior to each proposed assignment or transfer informing the Company whether the proposed assignee or transferee is a connected person of the Company.

No assignment or transfer (whether in whole or in part(s)) of the Convertible Note may be made unless the proposed assignee or transferee, in the case that it/he/she is not a connected person, has given the Company a written confirmation that it/he/she is not a connected person of the Company.

The principal amount to be transferred or assigned must be at least HK\$1 million or integral multiples of HK\$1 million.

The Convertible Note shall not be assigned or transferred on or before the expiry of the Lockup Period.

(8) *Voting rights at general meeting*

The Noteholder(s) shall not be entitled to attend or vote at any general meeting of the Company by reason only of it being a Noteholder.

(9) *Status*

The Convertible Note constitutes a direct, general, unconditional and unsecured obligation of the Company and ranks *pari passu* and rateably without preference (with the exception of obligations in respect of taxes and certain other mandatory provisions of applicable law exceptions) equally with all other present and/or future unsecured and unsubordinated obligations of the Company.

INFORMATION OF JOLLY WOOD AND CITY MARK

Jolly Wood and City Mark are investment companies incorporated in the BVI with limited liability. Jolly Wood is wholly-owned by Mr. Hung and City Mark is wholly-owned by Mr. Hong. Jolly Wood and City Mark have not carried out any business or operation since their incorporation save for the holding of the shares in Goldpoly International.

The Goldpoly Group owes and dues to Mr. Hung an amount of RMB43,800,000 (equivalent to approximately HK\$50,370,000) as at the date of this announcement. This amount is unsecured, interest-free and payable on demand. The loan was provided by Mr. Hung to the Goldpoly Group for general working capital requirements which have arisen due to a surge in business activities in 2010 as compared to 2009. For the avoidance of doubt, this amount shall be excluded from the Hung CH Shareholder Loan to be assigned to the Purchaser under the Acquisition Agreement. There is no outstanding Shareholders Loan as at the date of this announcement.

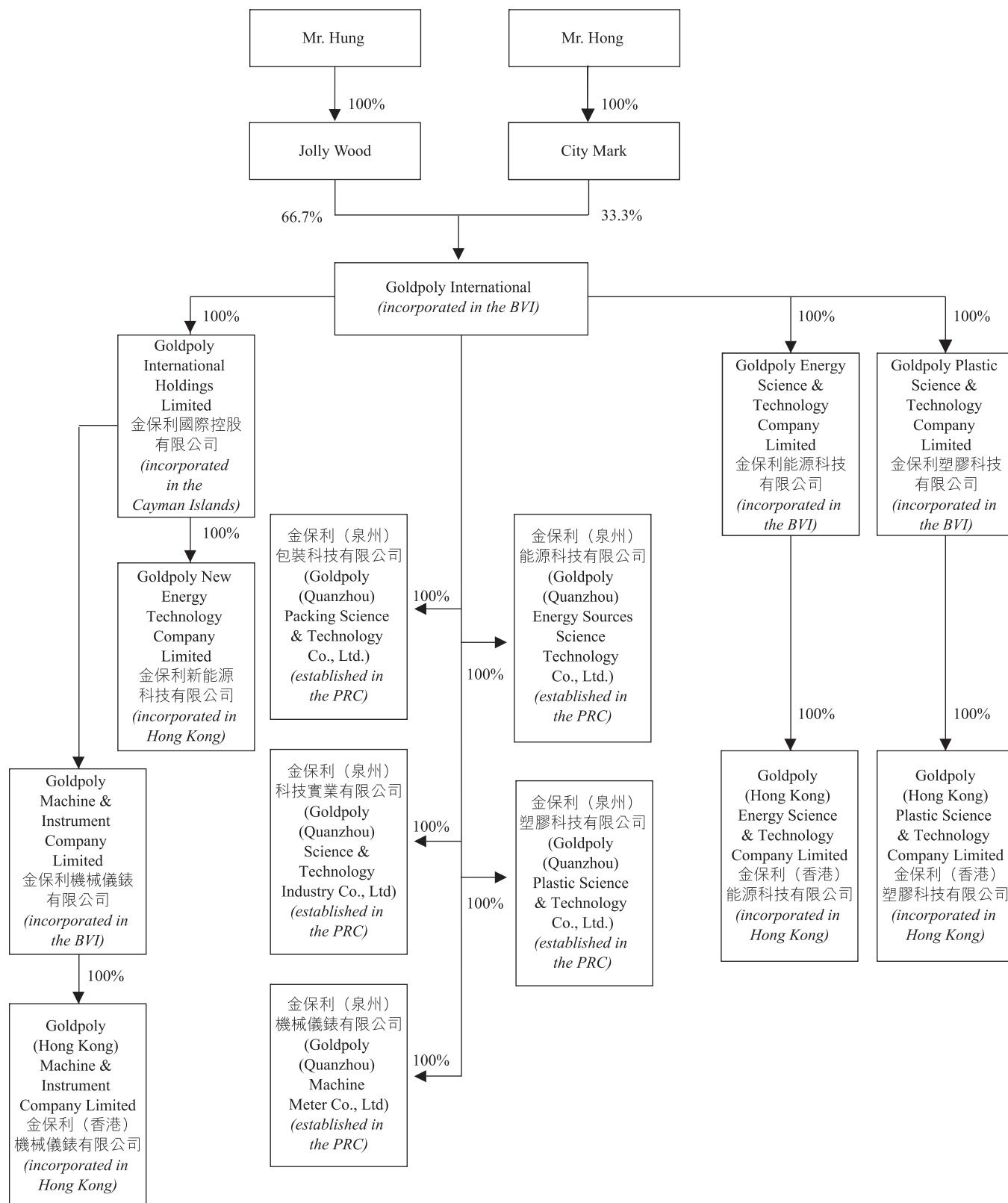
INFORMATION OF THE GOLDPOLY GROUP

Overview

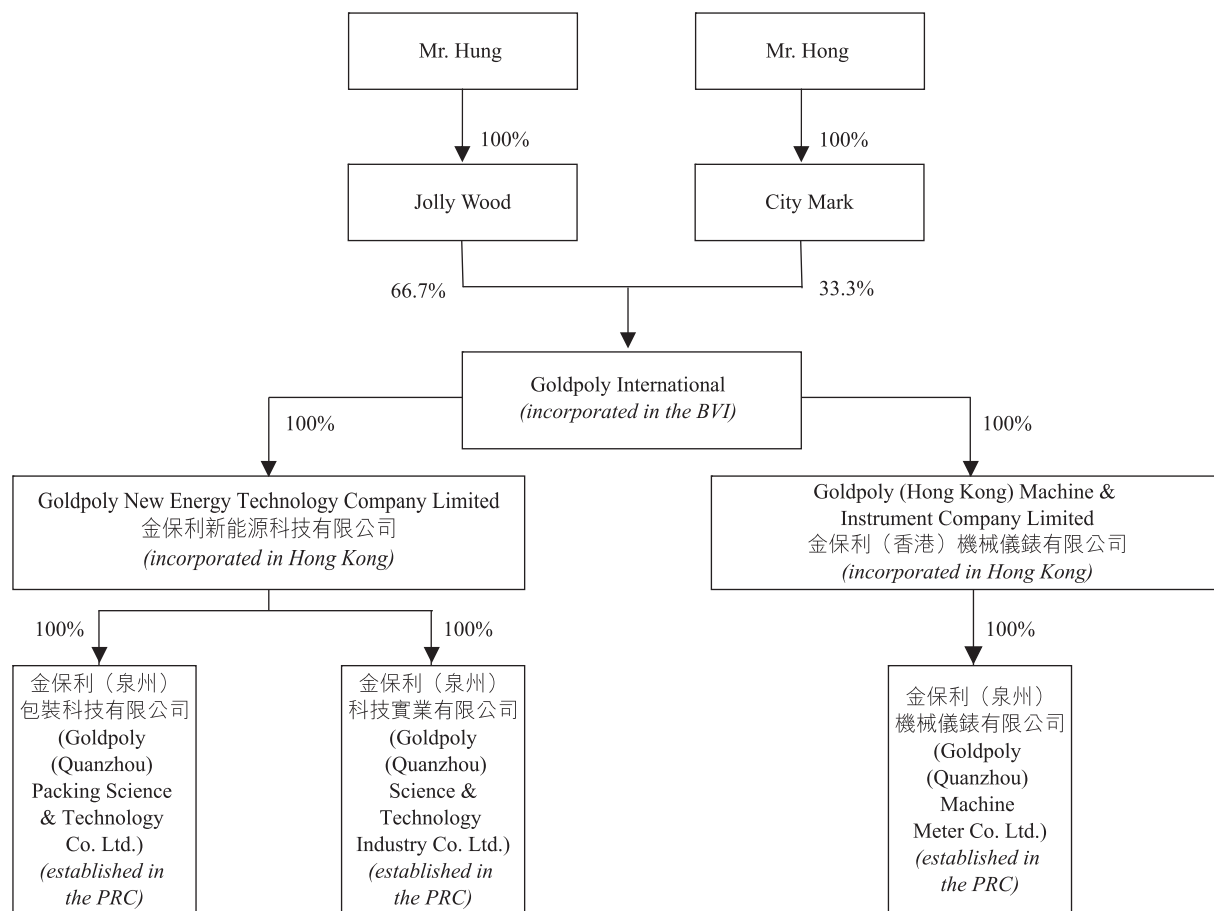
Goldpoly International is a company incorporated in the BVI with limited liability on 24 April 2006. The principal business of Goldpoly International is investment holding.

Reorganisation

The corporate structure of Goldpoly Group and other companies immediately before its reorganisation and as at the date of this announcement is as follows:



The Goldpoly Group will undergo the reorganisation and shall complete the reorganisation process prior to the Acquisition Completion. The corporate structure of Goldpoly Group immediately after its reorganisation and prior to Acquisition Completion shall be as follows:



The Goldpoly Group is principally engaged in the manufacturing and sale of solar silicon cells in the PRC.

Goldpoly New Energy Technology Company Limited 金保利新能源科技有限公司 and Goldpoly (Hong Kong) Machine & Instrument Company Limited 金保利（香港）機械儀錶有限公司 are both investment holding companies incorporated in Hong Kong since 6 January 2010. Both companies had not carried out any business or operation since their incorporation save for the holding of 金保利（泉州）包裝科技有限公司 (Goldpoly (Quanzhou) Packing Science & Technology Co. Ltd.), 金保利（泉州）科技實業有限公司 (Goldpoly (Quanzhou) Science & Technology Industry Co. Ltd.) and 金保利（泉州）機械儀錶有限公司 (Goldpoly (Quanzhou) Machine Meter Co. Ltd.) respectively after the reorganisation.

金保利（泉州）科技實業有限公司 (Goldpoly (Quanzhou) Science & Technology Industry Co. Ltd.) was established in the PRC on 14 June 2006 with limited liability. It is principally engaged in the manufacture of electronic components, solar silicon cell and related products.

金保利（泉州）包裝科技有限公司 (Goldpoly (Quanzhou) Packing Science & Technology Co. Ltd.) was established in the PRC on 20 September 2006 with limited liability. Its scope of business as stated in the business licence is the manufacture of plastic and other packaging materials.

金保利（泉州）機械儀錶有限公司 (Goldpoly (Quanzhou) Machine Meter Co. Ltd.) was established in the PRC on 20 September 2006 with limited liability. Its scope of business as stated in the business licence is the manufacture of meter equipment.

As at the date of the Acquisition Agreement, both 金保利（泉州）包裝科技有限公司 (Goldpoly (Quanzhou) Packing Science & Technology Co. Ltd.) and 金保利（泉州）機械儀錶有限公司 (Goldpoly (Quanzhou) Machine Meter Co. Ltd.) have no operation save for holding land for the solar business operation and expansion for 金保利（泉州）科技實業有限公司 (Goldpoly (Quanzhou) Science & Technology Industry Co. Ltd.). The Company considers their land essential for the business expansion and continuation of operation for 金保利（泉州）科技實業有限公司 (Goldpoly (Quanzhou) Science & Technology Industry Co. Ltd.). Thus, the Company also proposes to acquire both 金保利（泉州）包裝科技有限公司 (Goldpoly (Quanzhou) Packing Science & Technology Co. Ltd.) and 金保利（泉州）機械儀錶有限公司 (Goldpoly (Quanzhou) Machine Meter Co. Ltd.) under the Acquisition Agreement.

The other two subsidiaries, 金保利（泉州）塑膠科技有限公司 (Goldpoly (Quanzhou) Plastic Science & Technology Co., Ltd.) and 金保利（泉州）能源科技有限公司 (Goldpoly (Quanzhou) Energy Sources Science Technology Co., Ltd.) do not have the aforesaid prerequisites and the Company does not consider acquiring them under the Acquisition Agreement.

At the time of the establishment of each of 金保利（泉州）包裝科技有限公司 (Goldpoly (Quanzhou) Packing Science & Technology Co. Ltd.), 金保利（泉州）科技實業有限公司 (Goldpoly (Quanzhou) Science & Technology Industry Co. Ltd.) and 金保利（泉州）機械儀錶有限公司 (Goldpoly (Quanzhou) Machine Meter Co. Ltd.), their respective original owner is Goldpoly International which was owned as to 40% by Mr. Hung, and 40% and 20% by another two individuals respectively. Neither Goldpoly International, Mr. Hung nor the two individuals has any relationship (including prior business relationships) with the Company and its connected persons. Mr. Hung is the founder of Goldpoly International. Mr. Hong, through City Mark, acquired his interest in Goldpoly International at cost.

The Goldpoly Group manufactures mono-crystalline and multi-crystalline silicon solar cells under its own brand. Its products are sold to photovoltaic module manufacturers. The Goldpoly Group also provides original equipment manufacturing to silicon wafer manufactures. The major suppliers of the Goldpoly Group include suppliers of silicon wafer, silver paste and various gases and chemicals. The Goldpoly Group enters into master agreements with certain of its suppliers to ensure stable supply of raw materials. The prices of the materials are determined based on the prevailing market prices at the

time when the Goldpoly Group places the purchase orders. The suppliers of the Goldpoly Group are all independent third parties not connected with any of the Company and its connected persons or any of the parties to the Acquisition.

The Goldpoly Group operates a 180,000 meter square production factory in Jinjiang City, Quanzhou, Fujian Province, the PRC. In 2009, the Goldpoly Group's annual production capacity was 100 megawatts of solar silicon cells. 金保利（泉州）科技實業有限公司 (Goldpoly (Quanzhou) Science & Technology Industry Co. Ltd.) was awarded the ISO9001:2008 certificate for the manufacturing and sales of solar battery piece. Currently, the Goldpoly Group has over 350 employees in the PRC. Its management team consists of renowned and accomplished professionals of their respective fields from Hong Kong, Taiwan and Mainland China. In strengthening its research and development capabilities, the Goldpoly Group, collaborating with the National Engineering Research Center for Renewable Energy, has established "Southern China Photovoltaic Base" for solar research and bringing the latest solar technology to mass production.

Financial information

Set out below is a summary of certain unaudited consolidated financial information of the Goldpoly Group for the two years ended 31 December 2009 prepared according to International Financial Reporting Standards:

	For the five months ended 31 May 2010 (RMB'000)	For the year ended 31 December 2009 (RMB'000)	2008 (RMB'000)
Turnover	116,811	48,625	28,689
Net profit/(loss) before taxation	9,463	(22,247)	(5,154)
Net profit/(loss) after taxation	9,463	(22,247)	(6,154)

The revenue of the Goldpoly Group grew from approximately RMB28.7 million for the year ended 31 December 2008 to approximately RMB48.6 million for the year ended 31 December 2009 mainly due to production ramp up and management restructuring which further helped to improve its operation. The Goldpoly Group recorded revenue of approximately RMB116.8 million for the five months ended 31 May 2010, which is more than 2 times of the revenue achieved for the entire 2009. The increase in revenue from 2009 to 2010 was mainly due to increase in production capacity. The significant loss recorded for the year ended 31 December 2009 was mainly due to high raw material prices. The Goldpoly Group recorded net profit of approximately RMB9.5 million for the five months ended 31 May 2010. The turnaround from loss to profit for the five months ended 31 May 2010 was achieved as a result of market improvement and efficiency enhancement in the Goldpoly Group's related business.

The unaudited consolidated total asset value and net asset value of the Goldpoly Group as at 31 May 2010 were approximately RMB503.4 million and RMB260.2 million respectively. The assets of the Goldpoly Group mainly comprised property, plant and equipment of approximately RMB225.9 million, cash and bank balances of approximately RMB82.3 million, inventories of approximately RMB64.6 million, prepayments and other receivables of approximately RMB64.0 million, and investment property of approximately RMB50.3 million, as at 31 May 2010.

As at 31 May 2010, the Goldpoly Group had unaudited bank borrowings of approximately RMB69.6 million, other payables and accrued expenses of approximately RMB84.1 million, and bills payable of approximately RMB51.6 million.

Business prospects

The solar energy industry has been rapidly developing in recent years mainly due to the increasing global demand for energy and the global trend of increasing the use of renewable energy in an aim to reduce carbon emissions. Various nations have set down their emission reduction targets. The United States announced in January 2010 the new target to reduce greenhouse gas emissions by the country from the 2005 level by 28% by 2020, compared to its previous commitment of a 17% reduction under the same conditions. The PRC government also put forward its objective of reducing carbon dioxide emission per unit of gross domestic product by 40% to 50% from that of 2005 till 2020.

Many countries have been implementing various policies and incentive programs to encourage the use of renewable energy recently, especially in the United States and the PRC. Such supportive policies and incentive programs include the granting of subsidies to renewable energy facility projects, tax credit to solar energy manufacturers and regulating the amount of renewable energy production. Such supportive policies and incentive programs implemented by various countries have increased and are expected to continue to increase the demand of photovoltaic device. Such policies are expected to propel significant growth of the solar energy related industries.

The Goldpoly Group is one of the few PRC-based solar silicon cell manufacturers in the PRC with annual production capacity reaching 200 megawatts in 2010. The Goldpoly Group is also fully-equipped with advanced production facilities and testing devices and has been continuously enhancing its research and development efforts to strengthen production efficiency. Capitalising on its advanced technological know-how, the Goldpoly Group will further explore its solar silicon cell business with an aim of becoming one of the major manufacturers in the PRC. On the basis of the global trend towards the development of renewable energy sources and the Goldpoly Group's competitive strength as described above, the Directors consider that the Goldpoly Group will benefit from the growth of the solar energy related business.

Proposed business plan

As at the date of this announcement, the Group is principally engaged in the fashion apparel and retail business. Apart from expanding the business scope of the Group to engage in the solar energy business, it is the intention of the Company to continue its existing business. The Company intends to maintain

the employment of the existing management team of the Goldpoly Group after the Acquisition Completion. Following the Acquisition Completion, the business and day-to-day operation of the Goldpoly Group shall be vested in the management team of the Goldpoly Group. In addition, the Group intends to engage management experts in the solar energy business to strengthen the existing management team of the Group. In particular, it is expected that the Directors to be nominated by the Vendors will have experience in managing solar energy business.

Risks relating to the business of the Goldpoly Group

The Goldpoly Group has a limited operating history and there is no assurance that it will be able to operate profitably

The Goldpoly Group began manufacturing and selling solar silicon cells in 2008 and has experienced a high revenue growth since then. However, the Goldpoly Group was loss making before 2010. There is no assurance that the Goldpoly Group will be able to operate profitably, which depends upon a number of factors, including the Goldpoly Group's ability to obtain and complete orders and control its costs, the competition environment, market demand for solar silicon cells and the general economic conditions, which may be beyond the Goldpoly Group's direct control.

The Goldpoly Group must keep up with the technological changes in the market in order to remain competitive

The Goldpoly Group devotes significant resources to the development of new technologies and new products in order to keep up with customer needs and market demands. There is, however, no assurance that such products or technology developed could fulfill customers' and market requirements. In the event that the Goldpoly Group is unable to develop new products and technology that meet the needs of customers or that other competitors of the Goldpoly Group have developed new products and technologies, the Goldpoly Group's business, prospects, financial condition and results of operations may be materially and adversely affected.

If the Goldpoly Group is unable to implement its technological improvements, the Goldpoly Group may be unable to achieve sufficient cost reductions so as to maintain or improve its competitiveness

The Goldpoly Group engages in research and development projects to develop and refine its production technologies for quality silicon solar cell production. Failure to achieve technological improvements or implement such improvements in commercial applications may impede the Goldpoly Group's efforts to reduce unit production costs and correspondingly weaken its efforts to strengthen its competitiveness against major international producers.

Loss or inability to retain key management personnel will materially and adversely affect the operations of the Goldpoly Group

The Goldpoly Group's continuous success is dependent, to a large extent, on its ability to retain experienced and qualified management personnel and employees who have the requisite industrial expertise. The members of senior management of the Goldpoly Group are responsible for the

formulation of its business strategies, development of new technologies and overseeing business operations. They have been instrumental to the Goldpoly Group's growth and expansion and are expected to continue to play an important role in the continuing development and growth of the Goldpoly Group. They have the requisite experience and expertise in the industry that the Goldpoly Group operates in and have established relationships with its customers and suppliers. As such, the loss of a significant number of the Goldpoly Group's senior management may materially and adversely affect its operation and business if it cannot find suitable replacement in a timely manner. The failure to recruit and retain qualified personnel will also have a material and adverse impact on the Goldpoly Group's operation and business.

The Goldpoly Group's expansion plans require substantial capital expenditures, significant engineering efforts and dedicated management attention, and the Goldpoly Group's failure to complete these plans would have a material adverse effect on the Goldpoly Group's prospects and profitability

The Goldpoly Group's future success depends, to a large extent, on its ability to expand its production capacity to attain the desired level of economies of scale in its operations or cut the marginal production cost to the level necessary to effectively maintain its pricing and other competitive advantages. The Goldpoly Group expects that it will make substantial capital expenditures for the future growth. This expansion will require substantial capital expenditures, significant engineering efforts and dedicated management attention, and is subject to factors, some of which are beyond the Goldpoly Group's control. These factors include obtaining the required governmental approvals and permits, cost overruns, delays, equipment problems and other operating difficulties.

Further, the Goldpoly Group may require additional funding to develop its expansion plans. However, there is no assurance that the Goldpoly Group is able to obtain adequate financing on acceptable terms, or at all, to satisfy its operation, development and expansion plans.

Any of these or similar difficulties could significantly delay or otherwise constrain the Goldpoly Group's ability to undertake its capacity expansion plans, which in turn would limit its ability to increase sales, reduce costs or otherwise improve its prospects and profitability.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the fashion apparel and retail business. The Group has been experiencing a declining trend in turnover and profitability since 2007. The turnover of the Group declined from approximately HK\$131.4 million for the year ended 31 March 2007 to approximately HK\$97.5 million for the year ended 31 December 2009. The Group's net loss widened from approximately HK\$2.6 million for the year ended 31 March 2007 to approximately HK\$24.4 million for the year ended 31 December 2009. As disclosed in the Company's annual reports, the decline in profitability in recent years was mainly attributable to downturn of the economy, keen market competition and increase in operating costs.

Aiming at diversifying the Group's business and markets as well as broadening its source of income, the Group has taken an initial step in September 2008 to enter into an option agreement pursuant to which the Group was granted the option to acquire equity interests in two PRC companies that are principally engaged in toll road business. In July 2009, the Board decided not to exercise the option because the Group noticed that the progress of construction of the highways had been deferred. In light of the unsuccessful acquisition, the Company continues to identify other business opportunities for the Group, including those opportunities arise in the PRC market, so as to gear to the PRC's growth.

The Directors are of the view that the Acquisition would allow the Group to diversify into a new business with significant growth potential. As discussed in the section headed "Business prospects" above, the Goldpoly Group is expected to benefit from the rapid growth of the solar energy related business with the PRC government supportive attitude. Each of 金保利（泉州）包裝科技有限公司 (Goldpoly (Quanzhou) Packing Science & Technology Co. Ltd.), 金保利（泉州）科技實業有限公司 (Goldpoly (Quanzhou) Science & Technology Industry Co. Ltd.) and 金保利（泉州）機械儀錶有限公司 (Goldpoly (Quanzhou) Machine Meter Co. Ltd.) has obtained the Certificate of Approval (批准證書) and the Business License (營業執照) from the relevant authorities in the PRC for the operation of their respective business. As far as the manufacturing of solar silicon cell is concerned, it is not required to obtain any special licenses/approvals in addition to those that are mandatory for all businesses in the PRC, such as the Certificate of Approval (批准證書) and the Business License (營業執照) which have already been obtained by 金保利（泉州）科技實業有限公司 (Goldpoly (Quanzhou) Science & Technology Industry Co. Ltd.) from the relevant authorities in the PRC.

Notwithstanding that there are certain risks relating to the business of the Goldpoly Group as disclosed in the section headed "Risks relating to the business of the Goldpoly Group" above, having considered the prospects of the business of the Goldpoly Group, in particular, that the Acquisition offers the Group a good opportunity to diversify into the solar energy business and to enhance the Group's income stream, the Directors (including the independent non-executive Directors) are of the view that the terms of the Acquisition Agreement are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

THE PLACING AGREEMENT

Date : 14 July 2010

Issuer : the Company

Placing Agent : Vision Finance International Company Limited

The Placing Agent has conditionally agreed, on a best effort basis, to place or procure its sub-placing agents to place up to 280,000,000 Placing Shares at the Placing Price and will receive a placing commission of 2% on the gross proceeds of the actual number of Placing Shares being successfully placed by it (or its sub-placing agents) to independent placees under the Placing Agreement. The placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties as at the date of the Placing Agreement.

Placees

The Placing Shares will be placed to not less than six Placees. The Placing Agent shall use its best endeavours to ensure that the Placees shall be third parties independent of and not connected with the Company and the Vendors and the directors, chief executives and substantial shareholders (as defined in the Listing Rules) of the Company, its subsidiaries and the Vendors and any of their respective associates (as defined in the Listing Rules). The Placing Agent confirms and undertakes that it will ensure that it obtains confirmation from the Placees confirming that the Placees and their ultimate shareholders (i) are third parties independent of and not connected with the Company and the Vendors and the directors, chief executives and substantial shareholders of the Company, its subsidiaries and the Vendors and any of their respective associates (as defined in the Listing Rules); (ii) are not directly or indirectly funded or backed by a connected person (as defined in the Listing Rules) of the Company or the Vendors; and (iii) are not a person who is accustomed to take instructions from a connected person (as defined in the Listing Rules) of the Company or the Vendors in relation to the acquisition, disposal, voting or any other disposition of securities in the Company.

Upon completion of the Placing, it is expected that none of the Placees will become a substantial Shareholder (as defined under the Listing Rules).

Placing Shares

The aggregate nominal value of the Placing Shares will be HK\$28,000,000. The 280,000,000 Placing Shares represent (i) approximately 83.90% of the existing issued share capital of the Company; (ii) approximately 45.62% of the issued share capital of the Company as enlarged by the Placing; (iii) approximately 39.62% of the issued share capital of the Company as enlarged by the issue of the Placing Shares and the Consideration Shares; and (iv) approximately 12.25% of the issued share capital of the Company as enlarged by the issue of the Placing Shares, the Consideration Shares and the Conversion Shares (assuming the exercise of the Conversion Rights in full).

Ranking of the Placing Shares

The Placing Shares will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Non-disposal undertaking

The Placing Agent shall at the request of the Company use its best endeavour to obtain a lock-up undertaking from such Placees who have obtain a substantial stake in the Placing and to procure such Placees to enter into a non-disposal undertaking in favour of the Company for a period of 6 months or one year from completion of the Placing subject to such terms and conditions to be agreed between the Company and the Placing Agent.

As the Placing Agreement has just been entered into, the identities of the Placees and the allocation of the number of the Placing Shares to them are still uncertain as at the date of this announcement. In order to maintain an orderly market, the Company will review the then position and may impose certain lock-up undertaking on those Placees who will receive a larger amount of the Placing Shares. However, this will only be finalised at a later stage when the identities of the Placees and the Placing Shares allocation are available. As this is subject to the then position to be assessed, the Company is unable to provide a quantitative amount in respect of “a substantial stake” at this stage. The Company will make further announcement in this regard as and when appropriate.

Placing Price

The Placing Price of HK\$0.50 represents:

- a discount of approximately 23.08% to the closing price of HK\$0.65 per Share on the Last Trading Day;
- a discount of approximately 9.09% to the average closing price of HK\$0.55 per Share for the last 5 trading days up to and including the Last Trading Day; and
- a discount of approximately 9.91% to the average closing price of HK\$0.555 per Share for the last 10 trading days up to and including the Last Trading Day.

The Placing Price was negotiated on an arm’s length basis between the Company and the Placing Agent with reference to the recent market prices of the Shares and taking into account the substantial number of Placing Shares to be issued under the Placing.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (1) the Shareholders (being such Shareholders as are allowed to vote under the Listing Rules) passing at the SGM the resolutions approving the Placing Agreement and the transactions contemplated thereunder and a specific mandate for the allotment and issue of the Placing Shares and the increase of the authorised share capital of the Company;
- (2) the listing of, and permission to deal in, all the Placing Shares being granted (either unconditionally or subject to conditions to which neither the Company nor the Placing Agent shall reasonably object) by the Stock Exchange and such listing and permission not subsequently being revoked prior to the Placing Closing Date;
- (3) simultaneous completion of the Acquisition Agreement;
- (4) if necessary, the approvals, permits, waivers, consents or authorisation from the relevant Bermuda authorities in respect of the issue of the Placing Shares; and

- (5) there not having been, at any time before the Placing Closing Date:
- (a) any adverse change or any development reasonably likely to involve an adverse change in the condition (financial or otherwise) of the Group which is material in the context of the Placing;
 - (b) the occurrence of any event or the existence of any circumstance which would render any of the representations, warranties and undertakings given by the Company contained in the Placing Agreement untrue or inaccurate in any material respect; and
 - (c) the occurrence of any breach of the undertakings of the Company as set out in the Placing Agreement.

If any of the above conditions precedent are not fulfilled on or prior to the Placing Long Stop Date (unless otherwise agreed in writing by the parties to the Placing Agreement), the Placing Agreement shall terminate and none of the parties to the Placing Agreement will have any claim against the other in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach under the Placing Agreement.

Termination of the Placing

If at any time on or prior to 12:00 noon (Hong Kong time) on the Placing Closing Date:

- (a) there develops, occurs or comes into force:
 - (i) any introduction of new law or regulation or any change in existing laws or regulations which in the reasonable opinion of the Placing Agent has or is likely to have a material adverse effect on the business or financial condition or prospects of the Group as a whole; or
 - (ii) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions which in the reasonable opinion of the Placing Agent is or may be materially adverse in the context of the Placing; or
 - (iii) any significant change (whether or not permanent) in market conditions in Hong Kong which in the reasonable opinion of the Placing Agent is or may be materially adverse in the context of the Placing or makes it inadvisable or inexpedient to proceed therewith; or
- (b) any breach (which is material in the reasonable opinion of the Placing Agent) of any of the warranties of the Company set out in the Placing Agreement comes to the knowledge of the Placing Agent; or
- (c) there is any adverse change in the business or in the financial or trading position of the Company, or the Group which in the reasonable opinion of the Placing Agent is material in the context of the Placing,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 12:00 noon (Hong Kong time) on the Placing Closing Date.

Completion of the Placing

Completion of the Placing will take place on the Placing Closing Date.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Reasons for the Placing and use of proceeds

The gross proceeds from the Placing will be HK\$140,000,000. The net proceeds from the Placing is estimated to be approximately HK\$133.5 million, which will be used for the payment of the cash portion of the Consideration and general working capital of the Group. The net proceeds raised per Placing Share will be approximately HK\$0.477. The Directors consider that the Placing represents an opportunity to raise the required capital for the Company to proceed with the Acquisition while broadening the Shareholder base of the Company. Accordingly, the Directors consider the Placing Agreement is in the interests of the Company and its shareholders as a whole.

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 Consideration Shares, the Placing Shares and the Conversion Shares which may fall to be issued upon the exercise of the Conversion Rights.

The Consideration Shares, the Placing Shares and the Conversion Shares will be allotted and issued pursuant to specific mandates to be sought from the Shareholders at the SGM.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months before the date of this announcement:

Date of announcement	Nature of transaction	Estimated net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
16 April 2010, 22 April 2010 and 9 June 2010	Issue of Convertible Debentures with principal amount of up to HK\$25,000,000	HK\$24,400,000	To be used as the Group's general working capital	Proceeds raised from the issue of Convertible Debentures in the principal amount of HK\$17,000,000 has been used as the Group's general working capital <i>(Note: The Company has yet to issue the remaining Convertible Debentures in the principal amount of HK\$8,000,000 as at the date of this announcement)</i>
11 May 2010	Open offer	HK\$32,000,000	To be applied for general working capital of the Group and/or investments in the Group's principal activities and/or repayment of outstanding loans of the Group	Proceeds raised from the open offer has been used as general working capital of the Group and investments in the Group's principal activities and repayment of outstanding loans of the Group

INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY

The Board proposes to increase the Company's authorised share capital from HK\$100,000,000 divided into 1,000,000,000 Shares to HK\$500,000,000 divided into 5,000,000,000 Shares by the creation of an additional 4,000,000,000 new Shares. Such new Shares, upon issued and fully paid, shall rank *pari passu* in all respects with the Shares then in issue. An ordinary resolution will be put forward at the SGM for the proposed increase in the Company's authorised share capital.

CHANGES IN THE COMPANY'S SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company as at the date of this announcement and the changes thereto as a result of (i) the allotment and issue of the Consideration Shares and the Placing Shares; (ii) the allotment and issue of the Conversion Shares upon conversion of the Conversion Rights at the Conversion Price in full; and the issue and allotment of the Conversion Shares upon conversion of the Conversion Rights at the Conversion Price to the extent that Jet Mile will hold up to 19.99% of the Shares (given the conversion restriction under the terms of the Convertible Note), assuming that no outstanding Share Options and conversion rights attached to the Convertible Debentures has been exercised:

	As at the date of this announcement		Immediately after allotment and issue of the Consideration Shares and the Placing Shares		Immediately upon allotment and issue of the Consideration Shares, the Placing Shares and the Conversion Shares (assuming the exercise of the Conversion Rights in full) (Note 1)		Immediately upon allotment and issue of the Consideration Shares and the Placing Shares and the Conversion Shares (Note 2)	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Ti Yu Investments Limited	105,005,000	31.46	105,005,000	14.86	105,005,000	4.59	105,005,000	13.69
Asian Harvest Enterprises Limited	37,500,000	11.24	37,500,000	5.31	37,500,000	1.64	37,500,000	4.89
Jet Mile	—	—	92,936,803	13.15	1,672,862,454	73.16	153,338,884	19.99
<i>Public Shareholders:</i>								
Placees	—	—	280,000,000	39.62	280,000,000	12.25	280,000,000	36.50
Other public Shareholders	<u>191,234,073</u>	<u>57.30</u>	<u>191,234,073</u>	<u>27.06</u>	<u>191,234,073</u>	<u>8.36</u>	<u>191,234,073</u>	<u>24.93</u>
Total	<u>333,739,073</u>	<u>100.00</u>	<u>706,675,876</u>	<u>100.00</u>	<u>2,286,601,527</u>	<u>100.00</u>	<u>767,077,957</u>	<u>100.00</u>

Notes:

1. Such scenario is theoretical in nature and it is a term of the Convertible Note that no conversion shall be made (i) if upon conversion, all the Shares (including the Conversion Shares issued or to be issued) held by the Noteholder, its associates (as defined under the Listing Rules) and persons acting in concert (as defined under the Takeovers Code) on the relevant date of conversion will reach the Maximum Limit; or (ii) if there will not be sufficient public float of the Share as required under the Listing Rules.
2. Such scenario is presented on the assumption that Jet Mile will exercise part of the Conversion Rights to the extent that it will hold up to 19.99% of the Shares.

GENERAL

The Acquisition constitutes a very substantial acquisition for the Company and is subject to approval by the Shareholders by way of poll pursuant to Chapter 14 of the Listing Rules. The Placing Shares will be issued under a specific mandate to be obtained at the SGM.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, (i) to approve the Acquisition Agreement and the transactions contemplated thereunder, including the allotment and issue of the Consideration Shares and the creation and issue of the Convertible Note together with the allotment and issue of the Conversion Shares pursuant to the exercise of the Conversion Rights; (ii) to approve the Placing Agreement and the transactions contemplated thereunder, including the allotment and issue of the Placing Shares under a specific mandate; and (iii) to approve the increase in the authorised share capital of the Company. No Shareholder is required to abstain from voting in favour of the resolutions to be proposed at the SGM.

A circular containing, among others, (i) further details of the Acquisition and the Placing; (ii) details of the proposed increase in the authorised share capital of the Company (iii) financial and other information on the Group; (iv) financial and other information on the Target Group; (v) pro forma financial information of the Enlarged Group; and (vi) the notice of the SGM, will be despatched to the Shareholders. Since additional time will be required for preparation of the accountants' report of the Target Group, certain financial information of the Group and the pro forma financial information of the Enlarged Group, the Company expects that the circular will be despatched on or before 13 September 2010.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 13 July 2010 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 20 July 2010.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Shares and the assignment of the Shareholders Loan pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 13 July 2010 (as supplemented by the Supplemental Agreement) entered into among the Vendors, the Company and the Purchaser in relation to the Acquisition
“Acquisition Completion”	completion of the Acquisition
“Acquisition Long Stop Date”	13 January 2011 or such other date as the parties to the Acquisition Agreement may from time to time agree in writing
“Audited Accounts”	consolidated audited accounts of the Target Group for the two financial years ending 31 December 2011
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or days on which a typhoon signal No. 8 or above or black rainstorm signal is hoisted in Hong Kong at 10:00 a.m.) on which banks are generally open for business in Hong Kong
“BVI”	the British Virgin Islands
“City Mark”	City Mark Holdings Limited, a company incorporated in the BVI with limited liability and beneficially wholly-owned by Mr. Hong
“Company”	Time Infrastructure Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Consideration”	the total consideration payable by the Purchaser to the Vendors for the purchase of the Sale Shares and the purchase and assignment of the Shareholders Loan pursuant to the Acquisition Agreement
“Consideration Share(s)”	new Share(s) to be allotted and issued by the Company to Jet Mile or its nominee at the issue price of HK\$0.538 per Consideration Share for the partial settlement of the Consideration pursuant to the terms of the Acquisition Agreement

“Conversion Price”	HK\$0.538, being the conversion price for the subscription of one Conversion Share upon the exercise of the Conversion Rights attaching to the Convertible Note, subject to adjustments under the terms and conditions of the Convertible Note
“Conversion Right(s)”	the right(s) of the Noteholder to convert the whole or part of the outstanding principal amount of the Convertible Note into Conversion Shares subject to the terms and conditions of the Convertible Note
“Conversion Shares”	the new Share(s) to be allotted and issued by the Company to the Noteholder(s) upon the exercise of the Conversion Rights attaching to the Convertible Note
“Convertible Debentures”	convertible debentures issued by the Company to Kwai Yan Assets Limited pursuant to the subscription agreement dated 16 April 2010
“Convertible Note”	the convertible note comprising the zero coupon convertible note in the principal amount of up to HK\$850 million due on the 5th anniversary of the Issue Date to be issued by the Company to Jet Mile or its nominee upon Acquisition Completion
“Director(s)”	the director(s) of the Company
“Enlarged Group”	the Group and the Target Group upon Acquisition Completion
“Goldpoly Group”	Goldpoly International and its subsidiaries
“Goldpoly International”	Goldpoly International Limited, a company incorporated in the BVI with limited liability
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong ZH Sale Share”	the one share of US\$1.00 each in the issued share capital of City Mark, representing the entire issued share capital of City Mark
“Hong ZH Shareholder Loan”	any shareholder’s loan due and owing to Mr. Hong by City Mark as at the date of the Acquisition Completion which is payable on demand
“Hung CH Sale Share”	the one share of US\$1.00 each in the issued share capital of Jolly Wood, representing the entire issued share capital of Jolly Wood

“Hung CH Shareholder Loan”	any shareholder’s loan (save for the shareholder’s loan equivalent to an amount of RMB43,800,000 or HK\$50,370,000) due and owing to Mr. Hung by Jolly Wood as at the date of the Acquisition Completion which is payable on demand
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Issue Date”	the date of first issue of the Convertible Note
“Jet Mile”	Jet Mile Limited, a company incorporated in the BVI with limited liability and owned as to 66.7% by Mr. Hung and 33.3% by Mr. Hong
“Jolly Wood”	Jolly Wood Limited, a company incorporated in the BVI with limited liability and beneficially wholly-owned by Mr. Hung
“Last Trading Day”	12 July 2010, being the last trading date prior to the signing of the Acquisition Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lockup Period”	the Profit Guarantee Period and the time period from the end of the Profit Guarantee Period up to and including (i) the date on which the Audited Accounts are delivered to the Vendors and the Purchaser, in the case there is no Reduced Amount or (ii) the date on which the new note certificate is delivered by the Purchaser to the Vendors for cancellation and re-issue, and/or the Reduced Amount less the principal amount of the Convertible Note by the Vendors to the Purchaser is paid, in the case there is any Reduced Amount (as the case may be)
“Maturity Date”	the 5th anniversary of the Issue Date
“Mr. Hong”	Mr. Hong Zhonghai
“Mr. Hung”	Mr. Hung Chao Hong
“Noteholder(s)”	holder(s) of the Convertible Note
“PAT”	the consolidated attributable net profit after taxation of the Target Group (net of minority interests) for the Profit Guarantee Period
“Placee(s)”	any person(s) or entity(ies) whom the Placing Agent has procured to subscribe for any of the Placing Shares pursuant to the Placing Agreement

“Placing”	the conditional placing of 280,000,000 Placing Shares pursuant to the terms of the Placing Agreement on a best effort basis
“Placing Agent”	Vision Finance International Company Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 14 July 2010 in relation to the Placing
“Placing Closing Date”	a day falling within next 4 Business Days immediately following the date on which the conditions precedent of the Placing Agreement are fulfilled (or such other date as the Company and the Placing Agent may agree in writing)
“Placing Long Stop Date”	13 January 2011 or such later date as the Company and the Placing Agent may agree in writing, being the expiry date for fulfilling the conditions precedent of the Placing Agreement
“Placing Price”	HK\$0.50 per Placing Share
“Placing Share(s)”	new Share(s) to be placed by the Placing Agent pursuant to the Placing Agreement
“PRC”	the People’s Republic of China
“Profit Guarantee Period”	the two financial years ending 31 December 2011
“Purchaser”	Fortune Arena Limited, a company incorporated in the BVI and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC, and the exchange rate for RMB into HK\$ for the purpose of this announcement is RMB1.00 = HK\$1.15
“Sale Shares”	the Hung CH Sale Share and the Hong ZH Sale Share
“SGM”	the special general meeting(s) of the Company to be convened to consider and approve, among other things, the Acquisition Agreement, the Placing Agreement, the transactions contemplated under both agreements and the increase in the authorised share capital of the Company
“Share Options”	share options of the Company granted under its share option scheme

“Share(s)”	share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholders Loan”	the Hung CH Shareholder Loan and the Hong ZH Shareholder Loan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	supplemental agreement to the Acquisition Agreement dated 19 July 2010 and entered among the Vendors, the Purchaser and the Company to vary and supplement certain terms of the Acquisition Agreement
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong (as amended from time to time)
“Target Group”	Jolly Wood, City Mark and the Goldpoly Group after its reorganisation
“United States”	the United States of America, its territories, its possession and all areas subject to its jurisdiction
“US\$”	United States Dollars, the lawful currency of the United States
“Vendors”	Mr. Hung and Mr. Hong
“%”	per cent

On behalf of the Board
Wong Pak Lam, Louis
Chairman

Hong Kong, 19 July 2010

As at the date of this announcement, the executive Directors are Mr. Wong Pak Lam, Louis, Ms. Lin Xia Yang, Mr. Wong Kwong Lung, Terence, Mr. Lam Ho Fai and Mr. Gu Zhi Hao, and the independent non-executive Directors are Mr. Chan Ka Ling, Edmond, Mr. Lo Wa Kei, Roy and Mr. Ching Kwok Ho, Samuel.