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GLOBAL SOLUTION ENGINEERING LIMITED
環球工程有限公司

Global Solution Engineering Limited
環球工程有限公司*

(continued in Bermuda with limited liability)
(Stock code: 8192)

**VERY SUBSTANTIAL ACQUISITION AND
CONNECTED TRANSACTION
AND
RESUMPTION OF TRADING**

Financial adviser to Global Solution Engineering Limited



Optima Capital Limited

THE ACQUISITION

The Board wishes to announce that pursuant to the Letter of Intent entered into between Dragon Vision and the Vendor on 6 March 2008, Dragon Vision has entered into the Agreement with the Vendor on 3 April 2008. Under the Agreement, Dragon Vision agreed to acquire from the Vendor the entire issued share capital of the Target at the Consideration in the sum of HK\$134 million. The Target is interested in 30% of the issued share capital of Shanxi Tongyu. The principal activity of Shanxi Tongyu is the construction, operation and management of pipeline for coalbed methane and transmission and sales of coalbed methane.

The Acquisition constitutes a very substantial acquisition pursuant to Rule 19.06(5) of the GEM Listing Rules. It is proposed that Mr. Tan Chuanrong, who controls a company interested in 26% equity interest of Shanxi Tongyu, will be appointed as an executive Director. Accordingly, the Acquisition also constitutes a connected transaction of the Company pursuant to Rule 20.13(1)(b)(i) of the GEM Listing Rules. The Agreement and the transactions contemplated thereunder are therefore subject to the approval by Independent Shareholders at the SGM by poll.

* For identification purposes only

The Independent Board Committee will be established to advise and give recommendation to the Independent Shareholders regarding the Acquisition. An independent financial adviser will be appointed to advise the Independent Board Committee and Independent Shareholders on the Agreement. A circular containing, among other things, (i) further details of the Acquisition; (ii) financial and other information on the Group; (iii) financial information on the Target Group; (iv) the letter of the Independent Board Committee setting out its opinion on the Agreement and its recommendation to the Independent Shareholders; (v) the letter of the independent financial adviser to the Independent Board Committee and the Independent Shareholders setting out its opinion on the Acquisition; and (vi) the notice convening the SGM will be sent to the Shareholders as soon as practicable.

As the Acquisition may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 7 April 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 11 April 2008.

THE ACQUISITION

Reference is made to the announcement of the Company dated 7 March 2008 in relation to the entering into of the Letter of Intent between Dragon Vision and the Vendor for the proposed acquisition of (i) the entire issued share capital of the Target which owns 30% equity interest in Shanxi Tongyu; and (ii) 100% of any loan and other indebtedness outstanding from Target and Shanxi Tongyu to the Vendor. The Board wishes to announce that Dragon Vision has entered into the Agreement with the Vendor on 3 April 2008.

The Agreement dated 3 April 2008

Parties:

Vendor	:	Mr. Chen Keyu
Purchaser	:	Dragon Vision, a wholly owned subsidiary of the Company
Target	:	Sanxia International Energy Investments Limited

The Vendor is a PRC merchant who has extensive experience in energy resources investment in the PRC. To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, the Vendor is a third party independent of the Company and its connected persons (as defined in the GEM Listing Rules). Save for the entering into of the Letter of Intent and the Agreement, there is no prior transaction between the Vendor and the Company.

Assets to be acquired

Pursuant to the Agreement, the Vendor agreed to sell and Dragon Vision agreed to acquire (i) the Sale Share, being the entire issued share capital of the Target; and (ii) the Sale Debt as at the date of Completion, being all obligations, liabilities and other debts outstanding from the Target and Shanxi Tongyu to the Vendor whether actual, contingent or deferred and irrespective of whether or not the same is due and payable. Further information on the Target is set out in the section headed “Information on the Target” below.

The Target currently holds 30% equity interest in Shanxi Tongyu and the remaining 70% equity interest in Shanxi Tongyu is held by (i) two independent third parties of the Company as to 35% and 9% respectively; and (ii) a company controlled by Mr. Tan Chuanrong, who will be appointed as an executive Director, as to 26%. Details of Shanxi Tongyu are set out under the section headed “Information on Shanxi Tongyu” below.

The Sale Debt will be assigned by the Vendor to Dragon Vision upon Completion. As at 29 February 2008, the debt due by the Target to the Vendor was amounted to approximately HK\$6.1 million and there was no debt due by Shanxi Tongyu to the Vendor.

Consideration

The Consideration for the Acquisition is HK\$134 million and has been/will be satisfied in the following manner:

- (1) HK\$100,000 in cash, payable by Dragon Vision to the Vendor as the first deposit and part of the payment of the Consideration within 3 business days after signing of the Agreement, which has been duly settled by Dragon Vision on 3 April 2008;
- (2) a sum of not more than HK\$26.7 million by way of cashier’s order (or otherwise agreed by both parties), payable by Dragon Vision to the Vendor as the second deposit and as partial payment of the Consideration on Completion for the period commencing from the date of the Agreement to Completion. For the avoidance of doubt, Dragon Vision has the absolute discretion to decide the amount to be paid for the second deposit;
- (3) a sum in aggregating the second deposit, of not more than HK\$34.9 million in total, payable by Dragon Vision to the Vendor upon Completion by way of a Promissory Note issued by Dragon Vision in favour of the Vendor; and
- (4) HK\$99 million by way of the issue of the Convertible Bond by the Company to the Vendor upon Completion.

The Directors consider that the aforesaid arrangement of settlement of the second deposit provides flexibility to the Group such that the Company could decide the actual amount of second deposit after taking into account its financial position.

Upon full conversion of the Convertible Bond to be issued to the Vendor, 396,000,000 Conversion Shares will be issued to the Vendor. The Conversion Shares represent approximately 7.2% of the existing issued share capital of the Company and approximately 6.8% of the enlarged issued share capital of the Company.

The total Consideration of HK\$134 million was determined after arm's length negotiations between the Company and the Vendor after considering the prospects and growth potential of Shanxi Tongyu. The Consideration values the entire equity interest at HK\$446.7 million and represents a price-earnings multiple of approximately 4.0 times of the guaranteed profit of Shanxi Tonyu for the year ending 31 December 2009 of approximately RMB100 million (equivalent to approximately HK\$111 million) as detailed in the paragraph headed "Profit Guarantee" below. Given the prospects of the industry and the business potential of Shanxi Tongyu as more elaborated in the paragraphs headed "Reasons for the Acquisition" below, the Board considers the Consideration fair and reasonable. The Group intends to finance the cash portion of the Consideration by internal resources and equity fund raising.

Profit guarantee

Pursuant to the Agreement, the Vendor guarantees to Dragon Vision that as shown in the audited financial statements of Shanxi Tongyu prepared in accordance with the Hong Kong Financial Reporting Standards, (i) the audited consolidated net profit after taxation for Shanxi Tongyu for the year ending 31 December 2009 shall not be less than RMB100 million ("2009 Profit Guarantee"); and (ii) the audited consolidated net profit after taxation for Shanxi Tongyu for the year ending 31 December 2010 shall not be less than RMB180 million ("2010 Profit Guarantee").

In the event that Shanxi Tongyu fails to meet the 2009 Profit Guarantee and/or 2010 Profit Guarantee, the principal amount of the Convertible Bond will be reduced in accordance to the formula below. Should Shanxi Tongyu suffer net loss for the two years ending 31 December 2010, the audited consolidated net loss after taxation for Shanxi Tongyu for the two years ending 31 December 2010 should be treated as zero, solely for the purpose of calculation below.

For the year of 2009

Principal amount to be reduced ("Reduced Amount 2009") = (2009 Profit Guarantee – the audited consolidated net profit after taxation for Shanxi Tongyu for the year ending 31 December 2009 (the "Actual Profit 2009")) x 30% x 1.6

If the Reduced Amount 2009 is equal to the outstanding amount of the Convertible Bond, the parties to the Agreement agree that the Convertible Bond may be cancelled by Dragon Vision.

If the Reduced Amount 2009 is greater than the outstanding amount of the Convertible Bond or if the Convertible Bond has been cancelled, the Vendor shall pay the shortfall in cash, or as the case may be, the full amount of Reduced Amount 2009 shall be payable by the Vendor to Dragon Vision in cash within 3 days from the date of the certificate issued by the auditors of the Company certifying the amount of the Actual Profit 2009.

For the year of 2010

Principal amount to be reduced ("Reduced Amount 2010") = (2010 Profit Guarantee – the audited consolidated net profit after taxation for Shanxi Tongyu for the year ending 31 December 2010 (the "Actual Profit 2010")) x 30% x 1.6

If the Reduced Amount 2010 is equal to the outstanding amount of the Convertible Bond, the parties to the Agreement agree that the Convertible Bond may be cancelled by Dragon Vision.

If the Reduced Amount 2010 is greater than the outstanding amount of the Convertible Bond or if the Convertible Bond has been cancelled, the Vendor shall pay the shortfall in cash, or as the case may be, the full amount of Reduced Amount 2010 shall be payable by the Vendor to Dragon Vision in cash within 3 days from the date of the certificate issued by the auditors of the Company certifying the amount of the Actual Profit 2010.

Pursuant to the Agreement, the maximum liability to the Vendor in relation to the Acquisition is limited to HK\$134 million, being the total Consideration payable by Dragon Vision to the Vendor.

Principal terms of the Convertible Bond

Total principal amount	:	HK\$99,000,000
Maturity date	:	Fifth anniversary date of the Convertible Bond
Interest	:	Interest free
Conversion price	:	HK\$0.25 per Share
Transferability	:	The Bondholder may only assign or transfer the Convertible Bond to the transferee, who is independent of the Company and its connected persons (as defined under the GEM Listing Rules), subject to the consent of the Company.
Conversion restriction	:	The Bondholder shall not have the right to convert the whole or part of the principal amount of the Convertible Bond into Shares to the extent that immediately after such conversion, (i) the Bondholder together with parties acting in concert with it would be obliged to make a general offer under Takeovers Code in force from time to time; and/or (ii) the public float of the Shares will fall below 25% (or any given percentage as required by the GEM Listing Rules) of the Shares at any one time in compliance with the GEM Listing Rules.
Conversion period	:	<p>Any time before maturity, subject to conditions as set out below. The Company has the right to require the Bondholder to convert the whole or any part of the then outstanding principal amount of the Convertible Bond at the conversion price subject to the provisions of the conditions as set out below.</p> <p>(1) the 2009 Profit Guarantee and the 2010 Profit Guarantee (together, the “Guaranteed Profits”) have been fulfilled; and/or</p> <p>(2) if there is/are any shortfall(s) between actual profits attained by Shanxi Tongyu and the Guaranteed Profits during the relevant periods, Dragon Vision is fully compensated by the Vendor for any shortfall(s) under the relevant periods pursuant to the Agreement.</p>

Adjustment	:	Subject to usual adjustment provisions customary for convertibles notes of similar kind. The adjustment events will arise as a result of certain change in the share capital of the Company including consolidation or sub-division of shares, capitalisation of profits or reserves, capital distributions in cash or specie or subsequent issue of securities in the Company.
Redemption	:	Any time before the maturity date by serving at least seven days' prior written notice on the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein, redeem the Convertible Bond (in whole or in part) at par.
Listing	:	No application will be made for a listing of the Convertible Bond on the Stock Exchange or any other stock exchange. Application will be made for the listing of and permission to deal in the Conversion Shares on the Stock Exchange.
Conversion Shares	:	On the basis of the principal amount of HK\$99,000,000 and the initial conversion price of HK\$0.25 per Share, a total of 396,000,000 Conversion Shares will be issued upon full conversion of the Convertible Bond. The Conversion Shares will (subject to adjustment) represent 7.2% of the existing issued shares of the Company, or 6.8% of the issued shares of the Company as enlarged by the issue of the Conversion Shares.
Voting	:	A holder of the Convertible Bond shall not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of being a holder of the Convertible Bond.
Ranking	:	The Conversion Shares will rank pari passu in all respects with all the Shares in issue at the date on which the conversion rights attaching to the Convertible Bond are exercised.

Conversion price of Conversion Shares

The initial conversion price of the Conversion Shares is set at HK\$0.25 per Share and has been determined after arm's length negotiations between the Company and the Vendor taking account of the prevailing market prices of the Shares. The initial conversion price of the Convertible Bond of HK\$0.25 per Conversion Share represents:—

- (i) a discount of approximately 13.8% to the closing price of the Shares of HK\$0.29 per Share as quoted on the Stock Exchange on 3 April 2008, being the last trading day of the Shares prior to the suspension in trading pending the release of this announcement;
- (ii) a discount of approximately 3.8% to the average of the closing prices of the Shares of approximately HK\$0.26 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 3 April 2008; and

- (iii) the average of the closing prices of the Shares of approximately HK\$0.25 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including 3 April 2008.

The Directors consider that the conversion price is fair and reasonable so far as the Company and the Shareholders are concerned.

Principal terms of the Promissory Note(s)

Principal amount	:	Not more than HK\$34.9 million
Maturity date	:	Fifth anniversary date of the Promissory Note(s)
Interest	:	Interest free
Repayment	:	The Promissory Note(s) shall be repayable in one lump sum upon the maturity date of the Promissory Note. Dragon Vision may, at its option, repay the Promissory Note in whole or in part prior to its maturity by giving a prior ten business days' written notice to the Vendor
Transferability	:	The holder(s) of the Promissory Note(s) may only assign or transfer the Promissory Note(s) to the transferee, who is independent of the Company and its connected persons (as defined under the GEM Listing Rules), subject to the consent of the Company.

Conditions Precedent

Completion of the Acquisition is conditional upon the satisfaction or waiver of the following conditions:

- (a) all necessary consents and approvals in relation to the transactions contemplated under the Agreement having been obtained by Dragon Vision and the Vendor;
- (b) there being no matter, fact or circumstance which constituted or is likely to constitute any breach of the provision or the warranties given by the Vendor;
- (c) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Conversion Shares;
- (d) passing the ordinary resolution at the SGM by the Independent Shareholders approving the Agreement and the transactions contemplated thereunder;
- (e) having received a legal opinion issued by a law firm practising in the PRC appointed by Dragon Vision in form and substance acceptable to Dragon Vision in relation to the transactions contemplated under the Agreement;
- (f) Dragon Vision being satisfied with the due diligence review of the financial condition, legal and other affairs of the Target Group to the satisfaction of Dragon Vision where Dragon Vision has absolute discretion to such;

- (g) the issue of the capital verification report by a PRC auditor to confirm the registered capital of the Shanxi Tongyu has been fully paid up and is in compliance with the rules and regulation in the PRC;
- (h) having obtained the approval (where required) from the Bermuda Monetary Authority granting its permission to the allotment and issue of the Conversion Shares;
- (i) having delivered to Dragon Vision a copy of the business licence of Shanxi Tongyu evidencing that Shanxi Tongyu is granted a business licence for an operation period of 30 years; and
- (j) Shanxi Tongyu having obtained all consent and approval, including but not limited to the approval from National Development and Reform Commission of the PRC, regarding the Project.

Dragon Vision shall be entitled in its absolute discretion to waive any of the above conditions (save that the conditions (a), (c), (d) and (h) cannot be waived). If any of the above conditions has not been satisfied (or as the case may be, waived by Dragon Vision) on or before six months of the date of the Agreement (or such other date as agreed by the parties), the Agreement shall automatically terminate provided that the Vendor shall return to Dragon Vision any deposit (without interest) paid by it pursuant to the Agreement.

Completion

Completion shall take place on the third business day after fulfillment of the conditions of the Agreement.

Upon Completion, Shanxi Tongyu will become an associated company of the Company and its financial results will be accounted for under equity method.

INFORMATION ON THE TARGET AND SHANXI TONGYU

Information of the Target

The Target is an investment holding company incorporated in the BVI on 28 June 2006 and the entire issued share capital of which is currently wholly beneficially owned by the Vendor. As at the date of this announcement, save for its 30% interest in the equity capital of Shanxi Tongyu, the Target does not engage in other business or own other material assets.

Information on Shanxi Tongyu

Shanxi Tongyu is a sino-foreign joint venture incorporated in the PRC on 16 July 2007 with a registered capital of RMB82 million. The principal activity of Shanxi Tongyu is the construction, operation and management of pipeline for coalbed methane and transmission and sales of coalbed methane. The operation period for Shanxi Tongyu is 30 years. It is one of the conditions precedent for the Completion that Shanxi Tongyu has obtained all consent and approval, including but not limited to the approval from National Development and Reform Commission of the PRC, regarding the Project.

The pipeline infrastructure to be constructed and operated by the Shanxi Tongyu is the distance pipelines and other ancillary facilities such as pressure regulating plants, which are used for transmission of coalbed methane. The pipeline will lie from Duanshi Town, Shenshui County, Shanxi Province (山西省沁水縣端氏鎮) to Motou Town, Boai County, Henan Province (河南省博愛縣磨頭鎮), with an aggregate length of approximately 98.2 kilometres and a transportation capacity of a maximum of approximately 1 billion cubic meters per annum. Pursuant to 《關於同意組織開展端氏－晉城－博愛煤層氣管道項目前期工作的函》(能煤函[2006]19號) (Letter of consent for the initiation of preliminary work for the Pipeline) issued by National Development and Reform Commission of the PRC dated 11 August 2006, it is approved that Shanxi Tongyu can initiate and start the preliminary work of the pipeline project.

Based on the preliminary construction plan, the construction of the pipeline is expected to be completed by the end of 2008.

The unaudited consolidated net profit (which were prepared in accordance with Hong Kong Financial Reporting Standards) of the Target Group for the two financial years ended 31 December 2006 and 2007 are as follows:

	For the year ended 31 December	
	2007	2006
	Approximate	Approximate
	HK\$	HK\$
Net profit before taxation and extraordinary items	64,000	23,000
Net profit after taxation and extraordinary items	64,000	23,000

Shanxi Tongyu did not incur any profit or loss for the two financial years ended 31 December 2007. The unaudited net asset value of the Target and Shanxi Tongyu as at 31 December 2007 are approximately HK\$88,000 and RMB16.4 million (equivalent to approximately HK\$18.2 million) respectively. An accountants' report on the Target Group (prepared in compliance with the requirements of Chapter 7 of the GEM Listing Rules) will be included in the circular of the Company to be despatched to the Shareholders.

The total registered capital of Shanxi Tongyu is RMB82 million (equivalent to approximately HK\$91 million). The Vendor advised that as at the date of this announcement, the unpaid registered capital of Shanxi Tongyu is approximately RMB48.6 million (equivalent to approximately HK\$53.9 million). It is one of the conditions precedent that the registered capital of Shanxi Tongyu has been fully paid up. It is estimated that the total cost for the construction work of the Project would be approximately RMB240 million (equivalent to approximately HK\$266.4 million). Shanxi Tongyu intends to finance the construction cost by its registered capital and debt financing.

EFFECT ON SHAREHOLDING OF THE COMPANY

The following is a summary of the shareholding in the Company (i) as at the date of this announcement; (ii) upon Completion; and (iii) upon Completion and assuming full conversion of the Convertible Bond:

Shareholders	As at the date of this Announcement		Upon Completion		Upon Completion and assuming full conversion of the Convertible Bond (note 2)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Mr. Pong Wai San, Wilson (Note 1)	2,528,000,000	46.2	2,528,000,000	46.2	2,528,000,000	43.1
Almond Global Limited (Note 1)	1,560,000,000	28.5	1,560,000,000	28.5	1,560,000,000	26.6
Vendor	–	–	–	–	396,000,000	6.8
Public Shareholders	1,380,000,000	25.3	1,380,000,000	25.3	1,380,000,000	23.5
Total	<u>5,468,000,000</u>	<u>100.0</u>	<u>5,468,000,000</u>	<u>100.0</u>	<u>5,864,000,000</u>	<u>100.0</u>
Total public Shareholders	<u>1,380,000,000</u>	<u>25.3</u>	<u>1,380,000,000</u>	<u>25.3</u>	<u>1,776,000,000</u>	<u>30.3</u>

Notes:

1. The entire issued share capital of Almond Global Limited is wholly and beneficially owned by Mr. Pong Wai San, Wilson, an executive Director.
2. The Vendor is treated as public Shareholders as its shareholding in the Company is below 10%. Pursuant to the terms of the Convertible Bond, the Bondholder shall not have the right to convert the whole or part of the principal amount of the Convertible Bond into Shares to the extent that immediately after the conversion, the public float of the Shares will fall below 25% (or any given percentage as required by the GEM Listing Rules) of the Shares at any one time in compliance with the GEM Listing Rules.
3. The above figures are based on the latest information available to the Company.

REASONS FOR THE ACQUISITION

The Company is an investment holding company. The Group is principally engaged in the provision of information technology and engineering consultancy services, with its business focus in Hong Kong and the PRC market. The Group recorded net losses of approximately HK\$1.4 million and HK\$2.8 million for the financial years ended 31 December 2006 and 2007 respectively. In light of the unsatisfactory financial performance of the Group, the Directors have been seeking investment opportunities from time to time to broaden the Group's source of income. The Acquisition aligns with the Group's overall strategy.

According to the National Bureau of Statistic of China, the PRC economy continues to be one of the fastest growing nations in the world, with a gross domestic product ("GDP") of approximately RMB21,087.1 billion for 2006, representing an increase of approximately 14.7% over that of 2005 and a compound annual growth rate of approximately 11.5% from 1996 to 2006. Also, according to the preliminary statistic figures announced by the National Bureau of Statistic of China, GDP for 2007 was approximately RMB24,661.9 billion, representing a growth of approximately 11.4% over that of 2006.

The Board is of the view that the consumption of natural gas has been a global trend and is increasing every year, and as there is a shortage of this irreplaceable form of energy, demand for natural gas in recent years and its related products have been rising steadily over years. In view of the continued economic growth and accelerated industrialization and urbanization in Shanxi Province and Hunan Province as well as the development of the PRC economy, natural resources will have its sustained demand.

The Directors expect that the Acquisition will enlarge the income base of the Group. In light of the increasing demand for energy and rapid economic development in the PRC, the Directors are optimistic about the development potentials and prospects of the Target Group and believe that the Acquisition will enable the Group to diversify its investment portfolio in the PRC and will bring long-term benefits to the Group. Therefore, the Directors (excluding independent non-executive Directors) consider that the terms of the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and the Acquisition is in the interests of the Company and the Shareholders as a whole. The advice and recommendation from the Independent Board Committee will be set out in the circular to the Shareholders in accordance with the GEM Listing Rules.

GEM LISTING RULES IMPLICATIONS

The Acquisition constitutes a very substantial acquisition pursuant to Rule 19.06(5) of the GEM Listing Rules. It is proposed that Mr. Tan Chuanrong, who controls a company interested in 26% equity interest of Shanxi Tongyu, will be appointed as an executive Director. Accordingly, the Acquisition also constitutes a connected transaction of the Company pursuant to Rule 20.13(1)(b)(i) of the GEM Listing Rules. The Agreement and the transactions contemplated therein are therefore subject to the approval by Independent Shareholders at the SGM by poll. Neither the Vendor, Mr. Tan Chuanrong nor any of their respective associates holds any Shares as at the date of this announcement. Should the Vendor or Mr. Tan Chuanrong or their respective associates become interested in the Shares as at the date of the SGM, they are required to abstain from voting in respect of the proposed ordinary resolution to approve the Acquisition at the SGM as required under the GEM Listing Rules.

The Independent Board Committee will be established to advise and give recommendation to the Independent Shareholders regarding the Acquisition. An independent financial adviser will be appointed to advise the Independent Board Committee and Independent Shareholders on the Agreement. A circular containing, among other things, (i) further details of the Acquisition; (ii) financial and other information on the Group; (iii) financial information on the Target Group; (iv) the letter of the Independent Board Committee setting out its opinion on the Agreement and its recommendation to the Independent Shareholders; (v) the letter of the independent financial adviser to the Independent Board Committee and the Independent Shareholders setting out its opinion on the Acquisition; and (vi) the notice convening the SGM will be sent to the Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 7 April 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 11 April 2008.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Share and the Sale Debt by Dragon Vision pursuant to the Agreement
“Agreement”	a conditional sale and purchase agreement dated 3 April 2008 entered into between Dragon Vision and the Vendor in relation to the Acquisition
“Board”	the board of Directors
“Bondholder(s)”	the holder(s) of the Convertible Bond
“business day”	a day (other than a Saturday and a Sunday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	British Virgin Islands
“Company”	Global Solution Engineering Limited, a company continued in Bermuda with limited liability, the Shares of which are listed on GEM
“Completion”	completion of the Agreement
“Consideration”	the total consideration of HK\$134 million payable by the Company to the Vendor for the Acquisition, the particulars of which are set out in the section headed “Consideration”
“Conversion Shares”	new Shares to be issued by the Company upon exercise of conversion rights attaching to the Convertible Bond
“Convertible Bond”	convertible bond in the principal amount of HK\$99 million to be issued by the Company for settlement of part of the Consideration
“Director(s)”	the director(s) of the Company
“Dragon Vision”	Dragon Vision Group Limited, a company incorporated in the BVI and wholly owned by the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries

“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising the three independent non-executive Directors formed for the purpose of advising and giving recommendation to the Independent Shareholders regarding the Acquisition
“Independent Shareholders”	Shareholders other than the Vendor and Mr. Tan Chuanrong and their respective associates
“Letter of Intent”	the letter of intent dated 6 March 2008 entered into between Dragon Vision and the Vendor in relation to the Acquisition
“Listing Committee”	the listing sub-committee of the Stock Exchange
“PRC”	The People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, Macau and Taiwan
“Project”	the project of construction and operation of the pipeline lying from Duanshi Town, Shenshui County, Shanxi Province (山西省沁水縣端氏鎮) to Motou Town, Boai County, Henan Province (河南省博愛縣磨頭鎮)
“Promissory Note”	the promissory note in the principal amount of not more than HK\$34.9 million to be issued by Dragon Vision to the Vendor on Completion
“Sale Debt”	all obligations, liabilities and other debts outstanding from the Target and Shanxi Tongyu to the Vendor whether actual, contingent or deferred and irrespective of whether or not the same is due and payable as at the date of Completion
“Sale Share”	one share of USD1.00 each in the issued capital of Target, representing the entire issued share capital of the Target
“Shanxi Tongyu”	山西通豫煤層氣輸配有限公司 (Shanxi Tongyu Coalbed Methane Transportation Limited*), a sino-foreign joint venture incorporated in the PRC
“SGM”	the special general meeting of the Company to be convened to approve, among others, the Acquisition
“Share(s)”	ordinary share(s) of HK\$0.0005 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target”	Sanxia International Energy Investments Limited (三峽國際能源投資有限公司), a company incorporated in the BVI on 28 June 2006 and is interested in 30% equity capital of Shanxi Tongyu
“Vendor”	Mr. Chen Keyu
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi yuan, the lawful currency of the PRC
“%”	per cent.

By Order of the Board
Global Solution Engineering Limited
Pong Wai San, Wilson
Chairman

Hong Kong, 10 April 2008

As at the date of this announcement, the executive Directors are Mr. Pong Wai San, Wilson and Mr. Lau Wai Shu, the independent non-executive Directors are Mr. Lai Hin Wing, Henry, Mr. Yip Tai Him and Mr. Lung Hung Cheuk.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

For the purpose of this announcement, unless otherwise indicated, conversions of RMB into HK\$ are calculated at the approximate exchange rate of RMB1.00 to HK\$1.11. This exchange rate is adopted for the purpose of illustration only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate at all.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the website of the Company at <http://www.gsehk.com.hk>.