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China Post E-Commerce (Holdings) Limited
中郵電貿(控股)有限公司*

(Formerly known as Intcera High Tech Group Limited 大陶精密科技集團有限公司)*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8041)

Website: <http://www.cpech.com>

**DISCLOSEABLE TRANSACTION
INVOLVING ISSUE OF CONSIDERATION SHARES
IN RELATION TO ACQUISITION OF FURTHER INTEREST IN
IKANTV LIMITED**

On 27 August 2009 (after trading hours), the Company, Win Today, and the Purchaser which is a wholly owned subsidiary of the Company, entered into the WT Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and Win Today has conditionally agreed to sell 40% of the issued share capital of the Target.

The WT Consideration for the sale and purchase of the WT Sale Shares of HK\$92,000,000 shall be satisfied by the Purchaser by procuring the Company to allot and issue of 139,393,939 Consideration Shares to Win Today credited as fully paid at the Issue Price of HK\$0.66 upon WT Completion.

On the same day (after trading hours), the Company, China New Media and the Purchaser entered into the CNM Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and China New Media has conditionally agreed to sell 4% of the issued share capital of the Target.

* For identification purpose only

The CNM Consideration for the sale and purchase of the CNM Sale Shares of HK\$9,200,000 shall be satisfied by the Purchaser by procuring the Company to pay to China New Media by way of setting off against the CPEC Loan to the extent of the CNM Consideration upon CNM Completion.

Based on the relevant percentage ratio calculations under the GEM Listing Rules, the WT Acquisition and the CNM Acquisition, when aggregated with the Previous Acquisition under Rule 19.22 of the GEM Listing Rules, constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

THE WT SALE AND PURCHASE AGREEMENT

Date 27 August 2009 (after trading hours)

Parties

The Company: China Post E-commerce (Holdings) Limited

The vendor: Win Today Limited, a company incorporated in the BVI with limited liability

The Purchaser: China Post E-commerce Group Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company

To the best of the knowledge, information and belief of the Board and having made all reasonable enquiries, Win Today is an investment holding company, and Win Today and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Asset acquired

40 shares in the Target, being 40% of the issued share capital of the Target

WT Consideration

The WT Consideration for the sale and purchase of the WT Sale Shares of HK\$92,000,000 shall be satisfied by the Purchaser by procuring the Company to allot and issue of 139,393,939 Consideration Shares to Win Today credited as fully paid at the Issue Price upon WT Completion.

WT Completion

Upon compliance with or fulfillment (or waiver, if applicable) of all the conditions for the WT Completion as set out in the section headed “WT conditions” below, WT Completion shall take place at 4:00 p.m. on the WT Completion Date, or such later date as Win Today and the Purchaser may agree in writing.

WT conditions

WT Completion shall be conditional upon and subject to:

- (a) all necessary consents and approvals required to be obtained on the part of Win Today, the Purchaser and the Company in respect of the WT Sale and Purchase Agreement and the transactions contemplated thereby having been obtained;
- (b) (if required under the GEM Listing Rules) the passing by the Shareholders at a general meeting of the Company to be convened and held of an ordinary resolution to approve the WT Sale and Purchase Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares to Win Today credited as fully paid;
- (c) the warranties set out in the WT Sale and Purchase Agreement remaining true and accurate in all respects;
- (d) the Stock Exchange granting approval for listing of and permission to deal in the Consideration Shares;
- (e) simultaneous completion of the CNM Acquisition; and
- (f) the Purchaser being reasonably satisfied with the results of the due diligence review of the assets, liabilities, operations and affairs of the Target as it may reasonably consider appropriate.

If the conditions above have not been satisfied (or as the case may be, waived by the Purchaser provided that conditions (a), (b) and (d) may not be waived) on or before 4:00 p.m. on 31 December 2009, or such later date as Win Today and the Purchaser may agree, the WT Sale and Purchase Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other under the WT Sale and Purchase Agreement save for any antecedent breaches of the terms in the WT Sale and Purchase Agreement.

THE CNM SALE AND PURCHASE AGREEMENT

Date 27 August 2009 (after trading hours)

Parties

The Company: China Post E-commerce (Holdings) Limited

The vendor: China New Media Company Limited

The Purchaser: China Post E-commerce Group Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company

China New Media is a wholly owned subsidiary of China Outdoor Media Group Limited, a company incorporated in Hong Kong whose shares are listed on the main board of the Stock Exchange (stock code: 254), and is principally engaged in investment holding. To the best of the knowledge, information and belief of the Board and having made all reasonable enquiries, save for that Mr. Lau Chi Yuen, Joseph, the Director and the controlling Shareholder, is an executive director of and a substantial shareholder holding approximately 24.23% interest in China Outdoor Media Group Limited, China New Media and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Asset acquired

4 shares in the Target, being 4% of the issued share capital of the Target

CNM consideration

The CNM Consideration for the sale and purchase of the CNM Sale Shares of HK\$9,200,000 shall be satisfied by the Purchaser by procuring the Company to pay to China New Media by way of setting off against the CPEC Loan to the extent of the CNM Consideration upon CNM Completion.

As at the date of this announcement, the total outstanding amount of the CPEC Loan is approximately HK\$9.7 million.

CNM Completion

Upon compliance with or fulfillment (or waiver, if applicable) of all the conditions for the CNM Completion as set out in the section headed “CNM conditions” below, CNM Completion shall take place at 4:00 p.m. on the CNM Completion Date, or such later date as China New Media and the Purchaser may agree in writing.

CNM conditions

CNM Completion shall be conditional upon and subject to:

- (a) all necessary consents and approvals required to be obtained on the part of China New Media, China Outdoor Media Group Limited, the Purchaser and the Company in respect of the CNM Sale and Purchase Agreement and the transactions contemplated thereby having been obtained;
- (b) (if required under the Listing Rules) the passing by the shareholders of China Outdoor Media Group Limited at a general meeting to be convened and held of an ordinary resolution to approve the CNM Sale and Purchase Agreement and the transactions contemplated thereunder;
- (c) (if required under the GEM Listing Rules) the passing by the Shareholders at a general meeting to be convened and held of an ordinary resolution to approve the CNM Sale and Purchase Agreement and the transactions contemplated thereunder;
- (d) the warranties set out in CNM Sale and Purchase Agreement remaining true and accurate in all respects;
- (e) simultaneous completion of the WT Acquisition; and
- (f) the Purchaser being reasonably satisfied with the results of the due diligence review of the assets, liabilities, operations and affairs of the Target as it may reasonably consider appropriate.

If the conditions above have not been satisfied (or as the case may be, waived by the Purchaser provided that conditions (a), (b) and (c) may not be waived) on or before 4:00 p.m. on 31 December 2009, or such later date as China New Media and the Purchaser may agree, the CNM Sale and Purchase Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other under the CNM Sale and Purchase Agreement save for any antecedent breaches of the terms in the CNM Sale and Purchase Agreement.

BASIS OF CONSIDERATION

The WT Consideration and CNM Consideration, of HK\$92,000,000 and HK\$9,200,000 respectively, have been arrived at after arm's length negotiations between the Purchaser and each of Win Today and China New Media, with reference to, among other things, the Target's business prospects and profitability potential and the outlook for growth of the advertising and media industry in the PRC.

CONSIDERATION SHARES

On WT Completion, the Consideration Shares, having a total cash value of approximately HK\$44.6 million based on the closing share price of the Company of HK\$0.32 as at the Last Trading Day, will be allotted and issued to Win Today. The Consideration Shares will be issued at the Issue Price of HK\$0.66 per Share which is determined between arm's length negotiation between Win Today and the Purchaser. The Issue Price represents:

- (i) a premium of approximately 106.3% over the closing price of HK\$0.32 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 98.8% over the average closing price per Share of approximately HK\$0.332 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 83.3% over the average closing price per Share of approximately HK\$0.360 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 511.1% over the latest unaudited consolidated net assets value attributable to equity holders of the Company per Share of approximately HK\$0.108 as at 30 June 2009 (as calculated by the equity attributable to equity holders of the Company of approximately HK\$182,626,000 as at 30 June 2009 and the number of outstanding Shares of 1,685,234,924 as at the date of this announcement).

The Company will allot and issue an aggregate of 139,393,939 Consideration Shares, representing approximately:

- (i) 8.3% of the existing issued share capital of the Company; and
- (ii) 7.6% of the issued share capital of the Company as enlarged by the Consideration Shares.

The Consideration Shares are to be issued by the Company under the 2009 General Mandate. Up to the date of this announcement, 106,000,000 Shares has been utilised, and 35,820,895 new Shares will be utilised to satisfy part of the consideration of the acquisition of 10% of the issued share capital of Info-source Media Limited (which has been disclosed in an announcement dated 19 August 2009 issued by the Company), therefore a maximum of 140,826,089 Shares can be issued under the 2009 General Mandate. The Consideration Shares, when fully paid, will rank pari passu in all respects with all the Shares in issue on WT Completion Date. An application will be made to the Stock Exchange by the Company for the listing of, and permission to deal in, the Consideration Shares.

The Directors (including the independent non-executive Directors) consider that the WT Acquisition and the CNM Acquisition, including the terms of the Consideration Shares and the Issue Price, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

SHAREHOLDING STRUCTURE

For illustrative purpose, the following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon WT Completion; and (iii) immediately upon WT Completion and assuming the completion of the acquisition of 10% of the issued share capital of Info-Source Media Limited:

	As at the date of this announcement		Immediately upon WT Completion (Note 2)		Immediately upon WT Completion and assuming the completion of the acquisition of 10% of the issued share capital of Info-Source Media Limited (Note 2)	
	Shares	Approx.%	Shares	Approx.%	Shares	Approx.%
Mr. Lau Chi Yuen, Joseph ("Mr. Lau"), a Director (Note 1)	664,400,000	39.42	664,400,000	36.41	664,400,000	35.71
Win Today	–	–	139,393,939	7.64	139,393,939	7.49
Other public Shareholders	1,020,834,924	60.58	1,020,834,924	55.95	1,056,655,819	56.80
Total number of issued Shares	<u>1,685,234,924</u>	<u>100.00</u>	<u>1,824,628,863</u>	<u>100.00</u>	<u>1,860,449,758</u>	<u>100.00</u>

Notes:

1. These shares are held by JL Investments Capital Limited, which is wholly owned by Mr. Lau. Mr. Lau is therefore deemed to be interested in the shares held by JL Investments Capital Limited.
2. Assuming there is no acquisition and/or disposal of Shares from the date of this announcement up to the WT Completion Date and/or the completion of the acquisition of 10% of the issued share capital of Info-Source Media Limited.

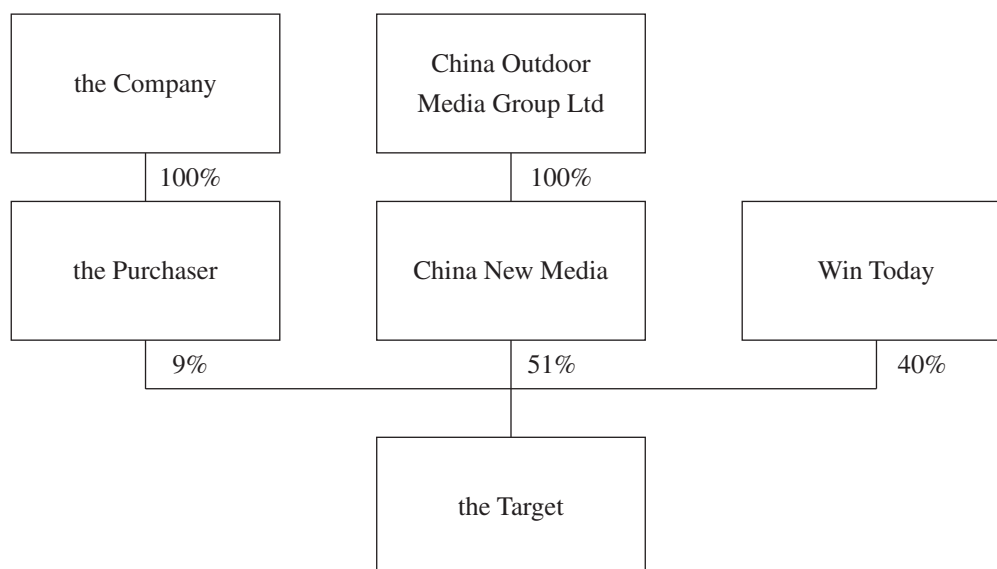
INFORMATION OF THE TARGET

The Target is a company incorporated in the BVI with limited liability. At the date of this announcement, The Target is beneficially owned as to: (i) 51% by China New Media; (ii) 40% by Win Today; and (iii) 9% by the Purchaser. The Target Group is principally engaged in media advertising business and media development in Hong Kong and the PRC.

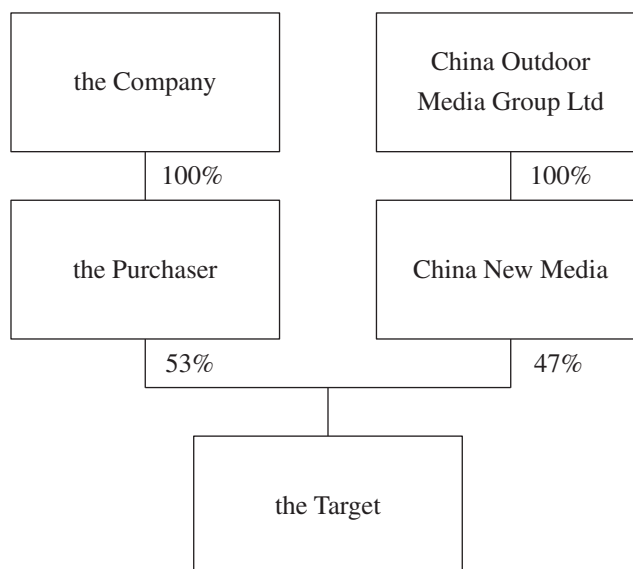
The Target has recently acquired an exclusive advertising agency rights from Info-Source Media Limited to procure advertising clients to place advertisements through the LCD TVs located in all retail outlets of Guangdong Postal Bureau and to broadcast all relevant information. The said exclusive advertising agency rights is for a term of five years commencing from January 2009 with a right of renewal for another term of five years exercisable at the discretion of the Target.

According to the unaudited consolidated accounts (prepared in accordance with Hong Kong Financial Reporting Standards) of the Target Group for the period from 23 November 2007 (the date of incorporation) to 30 June 2009, the Target Group recorded a net loss before and after tax of approximately HK\$4.26 million, and a net loss attributable to the equity holders of the Target of approximately HK\$4.08 million during the period. The unaudited net liability of the Target Group as at 30 June 2009 was approximately HK\$4.26 million.

The following diagram illustrates the shareholding structure of the Target immediately before WT Completion and CNM Completion:



The following diagram illustrates the shareholding structure of the Target immediately after WT Completion and CNM Completion:



REASONS FOR THE ACQUISITION

The Group is principally engaged in manufacturing and sale of ceramic blanks and ferrules and in E-commerce businesses. As disclosed in the 2008 annual report and 2009 interim report of the Company, the Company is actively searching for business opportunities in, amongst other things, E-commerce. Whenever there are attractive investment opportunities, the Company will expand its arm through strategic acquisition and cooperation. The Directors consider that the WT Acquisition and the CNM Acquisition represent valuable opportunities for the Company to strengthen its investment in E-commerce businesses.

The Directors consider that the further acquisitions of interests in the Target represent good opportunities for the Company to further expand its investments in E-commerce related media advertising and media businesses in Hong Kong and the PRC. Upon WT Completion and CNM Completion, the Target will become a non-wholly owned subsidiary of the Group, and the results of the Target Group will be consolidated in to the consolidated financial statements of the Group. The Board is confident on the prospects of the Target Group and considers that the Group, through the Target, will be able to capture the rapid growth of media advertising and media business in the PRC and hence, will enhance the Group's long term profitability.

GEM LISTING RULES IMPLICATIONS

Based on the relevant percentage ratio calculations under the GEM Listing Rules, the WT Acquisition and the CNM Acquisition, when aggregated with the Previous Acquisition under Rule 19.22 of the GEM Listing Rules, constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“associate”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	the British Virgin Islands
“China New Media”	China New Media Company Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of China Outdoor Media Group Limited, a company incorporated in Hong Kong whose shares are listed on the main board of the Stock Exchange (stock code: 254)
“CNM Acquisition”	the acquisition by the Purchaser of the CNM Sale Shares pursuant and subject to the terms and conditions of the CNM Sale and Purchase Agreement
“CNM Completion”	completion of the sale and purchase of the CNM Sale Shares in accordance with the terms and conditions of the CNM Sale and Purchase Agreement
“CNM Completion Date”	the date of falling two Business Days after the fulfillment (or waiver) of the conditions (a), (b), (c), (d) and (f) for the CNM Completion as set out in the section headed “CNM conditions” in this announcement.
“CNM Consideration”	HK\$9,200,000, being the aggregate consideration payable by the Purchaser pursuant to the CNM Sale and Purchase Agreement
“CNM Sale and Purchase Agreement”	the agreement dated 27 August 2009 entered into by and between among the Purchaser, China New Media and the Company in relation to the CNM Acquisition

“CNM Sale Shares”	4 shares in the Target, being 4% of the issued share capital of the Target
“Company”	China Post E-Commerce (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and the securities of which are listed on the GEM of the Stock Exchange
“Consideration Shares”	139,393,939 new Shares to be allotted and issued to satisfy the WT Consideration
“CPEC Loan”	the outstanding principal and interest due from China New Media to the Company under the loan agreement dated 16 February 2009 made between China New Media and the Company
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“2009 General Mandate”	the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with shares of the Company up to 20% of the issued share capital of the Company pursuant to the ordinary resolution of the Shareholders passed in the annual general meeting of the Company held on 27 April 2009
“Group”	the Company and its subsidiaries
“HK\$” or “HK Dollar”	Hong Kong dollars, the lawful currency of Hong Kong from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Price”	the issue price of HK\$0.66 per Consideration Share
“Last Trading Day”	27 August 2009, being the last trading day of the Shares and the date of the WT Sale and Purchase Agreement and the CNM Sale and Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China which, for the purpose of the Sales and Purchase Agreement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Acquisition”	the acquisition by the Purchaser of 9 shares in the Target pursuant to the agreement dated 6 April 2009 entered into by the Purchaser, the Get Profit Holdings Limited and the Company, details of which has been disclosed in the announcements dated 6 April 2009 and 29 April 2009 issued by the Company
“Purchaser”	China Post E-Commerce Group Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the existing shares of the Company
“Shares”	the shares of HK\$0.05 each in the share capital of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Target”	iKanTV Limited, a company incorporated in BVI with limited liability
“Target Group”	the Target and its subsidiary
“Win Today”	Win Today Limited, a company incorporated in the BVI with limited liability
“WT Acquisition”	the acquisition by the Purchaser of the WT Sale Shares pursuant and subject to the terms and conditions of the WT Sale and Purchase Agreement
“WT Completion”	completion of the sale and purchase of the WT Sale Shares in accordance with the terms and conditions of the WT Sale and Purchase Agreement
“WT Completion Date”	the date of falling two Business Days after the fulfillment (or waiver) of the conditions (a), (b), (c), (d) and (f) for the WT Completion as set out in the section headed “WT conditions” in this announcement
“WT Consideration”	HK\$92,000,000, being the aggregate consideration payable by the Purchaser pursuant to the WT Sale and Purchase Agreement

“WT Sale and Purchase Agreement”	the agreement dated 27 August 2009 entered into by and between among the Purchaser, Win Today and the Company in relation to the WT Acquisition
“WT Sale Shares”	40 shares in the Target, being 40% of the issued share capital of the Target

By order of the Board
China Post E-Commerce (Holdings) Limited
Lau Chi Yuen, Joseph
Executive Director

Hong Kong, 27 August 2009

As at the date of this announcement, the Board comprises two (2) executive directors, namely, Mr. Lau Chi Yuen, Joseph (Chairman) and Mr. Chung Man Wai, and three (3) independent non-executive directors, namely Dr. Lee Chung Mong, John, Mr. Tam Wing Kin and Mr. Fung Chan Man, Alex.

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

This announcement, for which the directors of China Post E-Commerce (Holdings) Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to China Post E-Commerce (Holdings) Limited. 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.