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**Automatic Result Limited**

*(incorporated in the  
British Virgin Islands with limited liability)*



**新高準控股有限公司\***  
**NEW SPRING HOLDINGS LTD.**

*(incorporated in the  
Cayman Islands with limited liability)*  
**(Stock Code: 690)**

**JOINT ANNOUNCEMENT**

**(1) Acquisition of shares in New Spring Holdings Limited  
by Automatic Result Limited**

**(2) Possible mandatory unconditional cash offer by**



**KINGSTON SECURITIES LIMITED**

**on behalf of Automatic Result Limited**

**to acquire all the issued shares in New Spring Holdings Limited  
(other than those already owned by**

**Automatic Result Limited and parties acting in concert with it)  
and**

**(3) Resumption of trading**

**Financial Adviser to Automatic Result Limited**



**KINGSTON CORPORATE FINANCE LIMITED**

**THE SALE AND PURCHASE AGREEMENT**

The board of directors of the Company and the Offeror announce that the Sale and Purchase Agreement was entered into between the Offeror and the Vendor on 25 August 2005, pursuant to which the Offeror agreed to purchase and the Vendor agreed to sell an aggregate of 95,000,000 Sale Shares for a consideration of HK\$47,215,000 (equivalent to HK\$0.497 per Sale Share).

The Sale Shares represent approximately 52.78% of the entire issued share capital of the Company as at the date of this announcement.

Completion is conditional upon certain conditions of the Sale and Purchase Agreement, brief particulars of which are set out under the section headed "The Sale and Purchase Agreement" below, being fulfilled or waived by 5:00 p.m. on 8 September 2005 (or such later date as the Purchaser and the Vendor may agree), and it will take place on the third business day after the conditions for Completion have been fulfilled or waived. Further announcement will be made as soon as practicable after Completion.

*\* for identification purpose only*

## **POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

Following Completion, the Offeror and parties acting in concert with it will own in aggregate 95,000,000 Shares, representing approximately 52.78 % of the entire issued share capital of the Company. The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by it and parties acting in concert with it. For the six months immediately before the date of the Sale and Purchase Agreement and up to the date of this announcement, save for the entering into the Sale and Purchase Agreement, the Offeror and parties acting in concert with it have not dealt in nor do they have any shareholding interest, convertible securities, warrants or options in the Company.

The principal terms of the Offer are set out under the section headed "Possible mandatory unconditional cash offer" below.

**The Offeror intends to maintain the listing of the Shares on the Stock Exchange. Each of the Offeror, the Company, the existing Directors and the proposed new Directors will undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that sufficient public float exists in the Shares.**

### **WARNING**

**The Offer is a possibility only.**

**Shareholders and potential investors should be aware and take note that the Completion is conditional upon satisfaction or waiver of certain conditions, and that the Offer will only be made upon Completion, which may or may not become unconditional. Accordingly, the Offer may or may not be made. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

### **DESPATCH OF COMPOSITE OFFER DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document containing the terms of the Offer and the form of acceptance and transfer of the Shares to the Shareholders within 21 days after the date of this announcement or such later date as the Executive may approve.

The Company will establish the Independent Board Committee to advise the Independent Shareholders. An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offer. Further announcement will be made regarding the appointment of the independent financial adviser. The Company is required under the Takeovers Code to send the offeree board circular to the Independent Shareholders within 14 days of the posting of the offer document or such later date as the Executive may approve.

It is the intention of the Offeror and the board of directors of the Company to combine the offer document and the offeree board circular in the Composite Offer Document. If the offer document and the offeree board circular shall be combined in the Composite Offer Document, the Offeror and the Company is required to despatch the Composite Offer Document to the Shareholders within 21 days after the date of this announcement or such later date as the Executive may approve.

### **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 Thursday, 25 August 2005 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Friday, 2 September 2005.

## THE SALE AND PURCHASE AGREEMENT

Date: 25 August 2005

Vendor: Fortune Gold Developments Limited, a company incorporated in the British Virgin Islands which is wholly and beneficially owned by Mr. Ng.

The Vendor confirms that prior to Completion, it and parties acting in concert with it hold in aggregate 95,000,000 Shares, representing approximately 52.78% of the issued Shares.

Purchaser: Automatic Result Limited, a company incorporated in the British Virgin Islands which is wholly and beneficially owned by Mr. Tong. Mr. Liu is the sole director of the Purchaser.

Immediately before entering into the Sale and Purchase Agreement, each of the Purchaser, Mr. Tong and Mr. Liu are independent of and neither connected with nor acting in concert with the Company, the directors, chief executive or substantial shareholders of the Company and the Vendor or any of their respective subsidiaries, or any of their respective associates.

Warrantor: Mr. Ng

Sale Shares: The Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell an aggregate of 95,000,000 Shares, representing approximately 52.78 % of the entire issued share capital of the Company as at the date of this announcement.

At Completion, the Sale Shares will be free from all liens, charges, encumbrances and any other third-party rights together with all rights attaching thereto on or after the date of the Sale and Purchase Agreement.

Consideration: HK\$47,215,000 (equivalent to HK\$0.497 per Sale Share) for the acquisition of the Sale Shares, payable in cash.

The consideration for the sale and purchase of the Sale Shares under the Sale and Purchase Agreement was determined after arm's length negotiations between the Purchaser and the Vendor with reference to, amongst other things, the recent price performance of the Shares.

Full consideration for the sale and purchase of the Sale Shares has been paid to an escrow agent jointly appointed by the Vendor and the Purchaser and shall be released thereby to the Vendor upon Completion.

Conditions: Completion of the Sale and Purchase Agreement is subject to, among other things, the following conditions being fulfilled or waived by 5:00 p.m. on 8 September 2005 (or such later date as the Purchaser and the Vendor may agree):

(a) the Shares remaining listed and traded on the main board of the Stock Exchange at all times from the date of the Sale and Purchase Agreement to the date of Completion, save for (i) any suspension due to any act or omission on the part of the Offeror; (ii) any suspension for less than seven business days; or (iii) any suspension due to or for the purpose of any of the transactions contemplated under the Sale and Purchase Agreement and the Offer, and no indication being received on or before the date of Completion from the SFC or the Stock Exchange to the effect that the listing of the Shares on the main board of the Stock Exchange will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of Completion or in connection with the Sale and Purchase Agreement (including, but not limited to, in connection with an allegation that the Company is no longer suitable for listing);

- (b) the relevant corporate guarantees given by the Company in respect of certain banking and/or credit facilities granted to the Group having been fully released, and/or the relevant bank and financial institutions having given written agreements in principle that the such guarantees will be fully released subject to satisfaction of such conditions as the Purchaser may agree, and all such conditions having been completely satisfied; and
- (c) all waivers, consents and approvals from any third parties required in connection with the Sale and Purchase Agreement having been obtained.

Completion will take place on the third business day after the conditions Completion have been fulfilled or waived (except in respect of conditions (a) and (b) above). Further announcement will be made as soon as practicable after Completion.

**POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

Immediately following Completion, the Offeror and parties acting in concert with it will own in aggregate 95,000,000 Shares, representing approximately 52.78 % of the entire issued share capital of the Company. The Offeror will therefore be required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares not already owned by it and parties acting in concert with it.

For the six months immediately before the date of the Sale and Purchase Agreement and up to the date of this announcement, save for the entering into the Sale and Purchase Agreement, the Offeror and parties acting in concert with it have not dealt in nor do they have any shareholding interest, convertible securities, warrants or options in the Company.

**PRINCIPAL TERMS OF THE OFFER**

Subject to completion of the Sale and Purchase Agreement, Kingston Securities will, on behalf of the Offeror, make a mandatory unconditional cash offer to all the Shareholders to acquire all the Shares, other than those held by the Offeror and parties acting in concert with it, on terms to be set out in the offer document or, as the case may be, the Composite Offer Document in accordance with the Takeovers Code on the following basis:

For each Share ..... HK\$0.497 in cash

The Offer Price is the same as the price paid by the Offeror for each Sale Share under the Sale and Purchase Agreement.

There are no outstanding options, warrants or securities convertible or exchangeable into Shares as at the date of this announcement.

**The Offer is a possibility only.**

**Shareholders and potential investors should be aware and take note that Completion is conditional upon satisfaction or waiver of certain conditions set out under the section headed “The Sale and Purchase Agreement” above, and that the Offer will only be made upon Completion, which may or may not become unconditional. Accordingly, the Offer may or may not be made. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

**Comparison of value**

The Offer Price of HK\$0.497 per Share is the same as the price as agreed to be paid by the Offeror to the Vendor for each Sale Share under the Sale and Purchase Agreement, and represents:

- (a) a discount of 0.6% to the closing price of HK\$0.50 per Share as quoted on the Stock Exchange on 24 August 2005, being the last trading day before the release of this announcement;
- (b) a discount of approximately 0.1% to the average closing price of HK\$0.4975 per Share as quoted on the Stock Exchange over the last 10 consecutive trading days up to and including 24 August 2005; and

(c) a premium of approximately 18.4% to the audited net asset value per Share of approximately HK\$0.4198 as at 31 March 2005, based on the Company's annual report for the year ended 31 March 2005.

### **Total consideration**

As at the date of this announcement, there are 180,000,000 Shares in issue and there are no outstanding options, warrants or securities convertible or exchangeable into Shares.

On the basis of the Offer Price at HK\$0.497 per Share, the entire issued share capital of the Company is valued at approximately HK\$89,460,000. The 85,000,000 Shares subject to the Offer are valued at approximately HK\$42,245,000 based on the Offer Price. Kingston Securities, being independent of and not connected with the Company and its connected persons (as defined under the Listing Rules), has provided the Offeror with a loan facility for the purpose of financing the total consideration payable by the Offeror for the Offer and both Kingston Corporate Finance and Kingston Securities are satisfied that there are sufficient financial resources available to the Offeror for meeting its obligation in case of a full acceptance of the Offer.

### **Effect of accepting the Offer**

By accepting the Offer, Shareholders will sell their Shares to the Offeror free from all liens, claims and encumbrances and with all rights attached to them, including the rights to receive all dividends and distribution declared, made or paid on or after the date on which the Offer is made, that is, the date the posting of the offer document by the Offeror in respect of the Offer or, as the case may be, the Composite Offer Document.

### **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within 10 days of the date on which the duly completed acceptances of the Offer and the relevant documents of title of the Shares in respect of such acceptance are received by or for the Offeror.

### **Stamp duty**

Seller's ad valorem stamp duty arising in connection with acceptance of the Offer amounting to 0.1% of the amount payable in respect of the relevant acceptances or if higher, the market value of the Shares, will be deducted from the amount payable to Shareholders who accept the Offer. The Offeror will bear its own portion of buyer's ad valorem stamp duty at the rate of 0.1% of the amount payable in respect of the relevant acceptances or if higher, the market value of the Shares, and will be responsible to account to the Stamp Office of Hong Kong for stamp duty payable for the sale and purchase of the Shares.

### **INFORMATION ON THE GROUP**

The principal activities of the Group comprise the manufacturing and trading of packaging products, paper gifts items and promotional products and investment holding.

The following table sets out the shareholding structure of the Company (based on information received by the Company as at the date of this announcement) immediately before and after the Acquisition (and assuming there are no changes other than those contemplated under the Sale and Purchase Agreement):

	<b>Before the Acquisition</b>		<b>After the Acquisition</b>	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Fortune Gold Developments Limited ( <i>Note 1</i> )	95,000,000	52.78	–	–
Offeror and parties acting in concert with it	–	–	95,000,000	52.78
Public	85,000,000	47.22	85,000,000	47.22
<b>Total</b>	<b><u>180,000,000</u></b>	<b><u>100.00</u></b>	<b><u>180,000,000</u></b>	<b><u>100.00</u></b>

*Note 1: Fortune Gold Developments Limited is wholly and beneficially owned by Mr. Ng.*

Based on the Group's comparative audited consolidated financial results for the year ended 31 March 2005, it recorded profit before tax of approximately HK\$663,000 and net loss of approximately HK\$87,000 for the year ended 31 March 2005, and it recorded loss before tax of approximately HK\$13,728,000 and net loss of approximately HK\$18,880,000 for the year ended 31 March 2004. The Group's audited consolidated net asset value was approximately HK\$75,555,000 and HK\$76,515,000 respectively as at 31 March 2005 and 31 March 2004.

#### **INFORMATION ON THE OFFEROR, ITS INTENTION REGARDING THE COMPANY AND PROPOSED CHANGE OF BOARD COMPOSITION OF THE COMPANY**

The Offeror is an investment holding company incorporated in the British Virgin Islands on 18 May 2000 with limited liability. The Offeror is wholly and beneficially owned by Mr. Tong. Mr. Liu is the sole director of the Offeror. Before the date of the Sale and Purchase Agreement, the Offeror has not conducted any business since its incorporation, and it does not have any material assets as at the date of this announcement. Before the date of the Sale and Purchase Agreement, neither the Offeror, Mr. Tong nor the parties acting in concert with any of them owned any Shares or any options, warrants or securities convertible into Shares. Mr. Tong and Mr. Liu have already been acquainted with each other for 5 years and, save as aforesaid and save for the respective ownership and directorship in the Offeror, there is no other relationship between Mr. Tong and Mr. Liu.

Assuming the Sale and Purchase Agreement has been completed and following the close of the Offer, the Offeror intends to continue the existing business of the Group and will regularly review its business activities and assets. The Offeror has no intention to discontinue the employment of the employees (save for a change in the composition of the Board) or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business. The Offeror has no plan on any injection of any assets or businesses into the Company as at the date of this announcement.

Subject to Completion, all existing Directors, namely Mr. Ng and Ms. Li Mi Lai, the non-executive Director, namely Mr. Tong Hing Chi, and all existing independent non-executive Directors, namely Mr. Lee Man Kwong, Mr. Leung Siu Cheung and Mr. Lam Kin Kau, Mark, will resign and such resignation will take effect on the first closing date of the Offer in compliance with Rule 7 of the Takeovers Code.

The Offeror intends to nominate three executive Directors and three independent non-executive Directors to the Board and such appointment will not take effect earlier than the date of the posting of the offer document by the Offeror in respect of the Offer or, as the case may be, the Composite Offer Document subject to compliance with the Takeovers Code. No service contract or appointment letter has been entered into between the Company and any of these proposed Directors as at the date of this announcement and therefore their respective terms of employment or appointment and emoluments, if any, have not been fixed as at the date of this announcement. Further announcement will be made upon any appointment of new Directors.

Details of the proposed Directors are set out below:

#### ***Proposed Executive Directors***

##### **Mr. Tong Kit Shing**

Mr. Tong Kit Shing, aged 44, was engaged in metal and scrap metal trading business in the PRC since 1997. Mr. Tong also has been investing in a company in the PRC which is principally engaged in the development of water treatment system since 2001.

Save as disclosed in this announcement, Mr. Tong does not have any other relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this announcement, as Mr. Tong owns the entire issued share capital of the Offeror, he is deemed to be interested in the Sale Shares, representing approximately 52.78% of the existing issued share capital of the Company, in which the Offeror is interested by virtue of Part XV of the Securities and Futures Ordinance.

**Mr. Liu Guoyao (alias Lau Kwok Yiu)**

Mr. Liu Guoyao (alias Lau Kwok Yiu), aged 42, has extensive experience in the management and business administration in the PRC. Mr. Liu owns a hotel in Dongguan, the PRC and has participated in the day-to-day operation and management thereof as a general manager since 1999.

Save as disclosed in this announcement, Mr. Liu does not have any other relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this announcement, as Mr. Liu is the sole director of the Offeror and therefore control the Offeror, he is deemed to be interested in the Sale Shares, representing approximately 52.78% of the Company, in which the Offeror is interested by virtue of Part XV of the Securities and Futures Ordinance.

**Mr. Cheng Wai Man**

Mr. Cheng Wai Man, Simon aged 45, has 4 years of experience in corporate and marketing management in printing industry. Mr. Cheng currently is engaged in trading of bio-chemical products.

Mr. Cheng does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this announcement, Mr. Cheng does not have any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

***Proposed Independent non-executive Directors***

**Mr. Zhou Yaoming**

Mr. Zhou Yaoming, aged 68, graduated with the degree of Bachelor of History from the Zhongshan University, the PRC. Mr. Zhou began his career with the Jinan University, the PRC as its Assistant Professor and become principal since 1999 and he is responsible for the general management in of the Jinan University.

Mr. Zhou does not have any relationship with other directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this announcement, Mr. Zhou does not have any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

**Mr. Lin Jian**

Mr. Lin Jian, aged 69. Mr. Lin works at Jinan University in Guangzhou, the PRC as a professor in Biological Engineering. He had also held various local social offices including Committee Member of the Technology Consultancy Committee of the Government of the Guangdong Province and the Managing Director of the Biological Engineering Society of the Guangdong Province.

Mr. Lin is also an independent non-executive director of Global Green Tech Group Limited, a company listed on the Stock Exchange. Mr. Lin does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this announcement, Mr. Lin does not have any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

### **Mr. So Yin Wai**

Mr. So Yin Wai, Alex, aged 43, graduated from Hong Kong Polytechnic University in 1986 and has been in the accounting profession for nearly 20 years. He is a member of the Association of Chartered Certified Accountants in United Kingdom and the Hong Kong Institute of Certified Public Accountants. He had worked for Peat Marwick & Co. and Kwan Wong Tan & Fong and been involved in the audit of a number of international and local engagements and listed companies. He is currently the sole practitioner of his own firm Alex So & Co (Certified Public Accountants). Apart from auditing, Mr. So also specializes in company secretarial, tax planning and management consultancy matters. Mr. So is currently the Vice-Chairman of China Business Association. He is the Honorary Auditor of a number of voluntary organizations, including HK Parkinson's Disease Foundation, Life Currents and Caring Centre Foundation Ltd.

Mr. So does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this Announcement, Mr. So does not have any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

### **MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange. Each of the Offeror, the Company, the existing Directors and the proposed new Directors will undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that sufficient public float exists in the Shares.

The Stock Exchange has also stated that, if the Company remains a listed company, any future injections of assets into or disposals of assets of the Company will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has discretion to require the Company to issue a circular to its Shareholders where any acquisition or disposal by the Company is proposed, irrespective of the size of such acquisition or disposal and in particular where such acquisition or disposal represents a departure from the principal activities of Company. The Stock Exchange also has the power pursuant to the Listing Rules to aggregate a series of acquisitions or disposals by the Company within 24 months and any such acquisitions or disposals may, in any event, result in the Company being treated as a new applicant for listing and subject to the requirements for new applicants as set out in the Listing Rules.

### **DESPATCH OF COMPOSITE OFFER DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document containing the terms of the Offer and the form of acceptance and transfer of the Shares to the Shareholders within 21 days after the date of this announcement or such later date as the Executive may approve.

The Company will establish the Independent Board Committee to advise the Independent Shareholders. An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offer. Further announcement will be made regarding the appointment of the independent financial adviser. The Company is required under the Takeovers Code to send the offeree board circular to the Independent Shareholders within 14 days of the posting of the offer document or such later date as the Executive may approve.



It is the intention of the Offeror and the board of directors of the Company to combine the offer document and the offeree board circular in the Composite Offer Document. If the offer document and the offeree board circular shall be combined in the Composite Offer Document, the Offeror and the Company is required to despatch the Composite Offer Document to the Shareholders within 21 days after the date of this announcement or such later date as the Executive may approve.

## **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 Thursday, 25 August 2005 pending release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Friday, 2 September 2005.

## **DEFINITIONS**

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

“Acquisition”	acquisition of the Sale Shares by the Offeror pursuant to the terms and conditions of the Sale and Purchase Agreement
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	board of Directors
“Company”	New Spring Holdings Limited, a company incorporated in the Cayman Island with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Composite Offer Document”	the document proposed to be jointly issued by and on behalf of the Offeror and the Company to all Shareholders in accordance with the Takeovers Code containing, among others, terms and conditions of the Offer, the forms of acceptance and transfer in respect of the Offer, the advice of the independent financial adviser to the Independent Board Committee in respect of the Offer, and the advice of the Independent Board Committee to the Independent Shareholders in relation to the Offer
“Director(s)”	director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Board to be established for the purpose of advising the Independent Shareholders in relation to the Offer
“Independent Shareholders”	Shareholders other than the Offeror, Mr. Tong, Mr. Liu, the sole director of the Offeror, Mr. Ng and their respective associates and concert parties
“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a licensed corporation to carry on business in type 6 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the financial adviser to the Offeror

“Kingston Securities”	Kingston Securities Limited, a deemed licensed corporation to carry on business in type 1 regulated activities (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Liu”	Mr. Liu Guoyao (alias Lau Kwok Yiu), the sole director of the Offeror
“Mr. Ng”	Mr. Ng Man Chan, the chairman and the Director
“Mr. Tong”	Mr. Tong Kit Shing, the sole shareholder of the Offeror
“Offer”	a possible mandatory unconditional cash offer for all the issued Shares not already owned by the Offeror and parties acting in concert with it at the Offer Price to be made by Kingston Securities on behalf of the Offeror in accordance with the Takeovers Code
“Offeror” or “Purchaser”	Automatic Result Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. Tong. Mr. Liu is the sole director of the Offeror
“Offer Price”	the offer price HK\$0.497 per Share for the Offer
“PRC”	The People’s Republic of China
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 25 August 2005 entered into between the Vendor and the Offeror and Mr. Ng in relation to the sale by the Vendor and the purchase by the Offeror of the Sale Shares
“Sale Shares”	95,000,000 Shares to be acquired by the Offeror pursuant to the Sale and Purchase Agreement
“SFC”	The Securities and Futures Commission of Hong Kong
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Fortune Gold Developments Limited, a company incorporated in the British Virgin Islands and is wholly and beneficially owned by Mr. Ng
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the board of  
**Automatic Result Limited**  
**Liu Guoyao**  
*Sole Director*

By order of the board of  
**New Spring Holdings Limited**  
**Ng Man Chan**  
*Chairman*

Hong Kong, 1 September 2005

*As at the date of this announcement, the Company has two executive Directors, namely Mr. Ng Man Chan and Ms. Li Mi Lai and a non-executive Director, namely Mr. Tong Hing Chi and three independent non-executive Directors, namely Mr. Lee Man Kwong, Mr. Leung Siu Cheung and Mr. Lam Kin Kau, Mark.*

*The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this announcement, other than that relating to the Group, and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement, other than those relating to the Group, have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than that relating to the Offeror, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement, other than that relating to the Offeror, have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

Please also refer to the published version of this announcement in The Standard.