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NEW TIMES GROUP HOLDINGS LIMITED

(新時代集團控股有限公司)*

(incorporated in Bermuda with limited liability)

(Stock Code: 166)

CLARIFICATION ANNOUNCEMENT

The Company announces that charges laid by ICAC against two ex-directors of the Company for false representation relating to grant of share options in 2002 should have no or minimal legal or financial impact to the Company.

SHARE OPTION FRAUD

Reference is made to the Press Release of the Independent Commission against Corruption on 7 January 2008 that two ex-directors of the Company (formerly known as Pacific Challenge Holdings Limited) namely Dr. Lily Chiang (“Dr. Chiang”) and Mr. Shah Tahir Hussain (“Mr. Hussain”) faced charges in relation to, inter alia, for having “*falsely represented that share options were to be granted under the share option scheme of PCH to subscribe a total of 23,880,000 shares*”. They are also alleged to have “*failed to disclose that the employee or some of them in whose names the share options would be granted would not be their beneficial owners.*” The relevant announcements on the grant of these option were those dated “*22 April and 6 June 2002*”.

The share options in question were granted under the share option scheme adopted by the Company on 11 September 1998. As disclosed in the circular of the Company dated 12 August 2002, the Company had granted options to subscribe 23,880,000 shares, of which 2,388,000 shares were exercised and the rest of the said option to subscribe for 21,492,000 shares were cancelled or lapsed.

Dr. Chiang and Mr. Hussain have resigned as directors of the Company on 29 July 2002 and are currently not executives of the Company.

The board of directors is not aware any legal or financial impact to the Company that may arise from the allegation against Dr. Chiang and Mr. Hussain.

By Order of the Board of
New Times Group Holdings Limited
Tse On Kin
Chairman

Hong Kong, 7 January 2008

As at the date of this announcement, the Board comprises ten Directors, of which four are executive Directors, namely Mr. Tse On Kin, Mr. Wu Jian Feng, Mr. Zhang Cheng Jie and Mr. Li Guoping; three non-executive Directors, namely Mr. Tsang Kwong Fook, Andrew, Mr. Chan Chi Yuen and Mr. Chan Chung Yin; and three independent non-executive Directors, namely Mr. Fung Chi Kin, Mr. Qian Zhi Hui and Mr. Chiu Wai On.

* *for identification purpose only*