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Dore.

DORE HOLDINGS LIMITED

多金控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 628)

**PROPOSED VERY SUBSTANTIAL ACQUISITIONS AND
CONNECTED TRANSACTIONS;
AND
RESUMPTION OF TRADING**

Reference is made to the announcement dated 6 May 2008 and the circular dated 27 May 2008 of the Company in respect of the Previous Acquisition, and the announcement dated 24 June 2008 in respect of the Heads of Agreements.

On 8 August 2008 (after trading hours), Team Jade, a wholly-owned subsidiary of the Company, entered into (i) the First Acquisition Agreement in respect of the proposed acquisition of the entire issued share capital of East & West as to 70% from Multi Fit and as to 30% from Pacific Rainbow at an aggregate consideration of HK\$1,794,560,000; and (ii) the Second Acquisition Agreement in respect of the proposed acquisition of the entire issued share capital of Pacific Force from Pacific Rainbow at a consideration of HK\$224,320,000. The main asset of East & West is the Joli Profit Agreement 1. The main asset of Pacific Force is the Joli Profit Agreement 2.

The Acquisitions are inter-conditional.

As Multi Fit is a substantial Shareholder interested in approximately 12.88% of the issued share capital of the Company as at the date of this announcement, the First Acquisition constitutes a connected transaction on the part of the Company under the Listing Rules. The First Acquisition also constitutes a very substantial acquisition on the part of the Company under the Listing Rules. As the Second Acquisition involves the same vendor, namely Pacific Rainbow and the acquisition of the same profit stream, that is, the Joli Profit, the Second Acquisition shall be aggregated with the First Acquisition. As the Previous Acquisition involved the same vendor as the First Acquisition, namely Multi Fit, and the acquisition of the same profit stream as the Acquisitions, the Acquisitions shall be aggregated with the Previous Acquisition. Therefore, the Second Acquisition, when aggregated

* For identification purpose only

with the First Acquisition and the Previous Acquisition, constitutes a very substantial acquisition on the part of Company under the Listing Rules. As Pacific Rainbow is the vendor of both the First Acquisition, a connected transaction and the Second Acquisition and the Acquisitions are inter-conditional, the Second Acquisition is also a connected transaction.

As the cash Deposits payable to Multi Fit and Pacific Rainbow before completion of the First Acquisition amount to HK\$400 million and such amount of Deposits exceed 8% of the asset ratio as defined under rule 14.07(1) of the Listing Rules, the payment of Deposits constitutes an advance to entities under Rule 13.13 of the Listing Rules.

The Acquisitions are subject to, among other things, the approval by the Independent Shareholders at the SGM to be taken by way of a poll. Multi Fit, Mr. Sin, Power Rush, Mr. Chen and their respective associates will abstain from voting for the relevant resolutions at the SGM due to their interests in the Acquisitions. A circular containing, among other things, further information in respect of the Acquisitions, the financial information on the Group, the letter of advice from the independent board committee of the Company and an independent financial adviser to be appointed by the Company in respect of the Acquisitions, and a notice of the SGM will be despatched to the Shareholders in accordance with the Listing Rules. The independent board committee of the Company comprises Mr. Leung Chi Hung, Mr. Tsui Robert Che Kwong and Mr. Cheung Yim Kong, Johnny. None of them has material interest in the Acquisitions.

At the request of the Company, trading in Shares was suspended with effect from 9:30 a.m. on 11 August 2008 pending release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 15 August 2008.

Reference is made to the announcement dated 6 May 2008 and the circular dated 27 May 2008 of the Company in respect of the Previous Acquisition, and the announcement dated 24 June 2008 in respect of the Heads of Agreements.

THE FIRST ACQUISITION AGREEMENT

Date : 8 August 2008 (after trading hours)

Parties : Team Jade as purchaser
Multi Fit and Pacific Rainbow as vendors and warrantors
Mr. Sin and Mr. Chen as warrantors

Multi Fit is wholly and beneficially owned by Mr. Sin and became a substantial Shareholder upon completion of the Previous Acquisition and holds approximately 12.88% of the issued share capital of the Company as at the date of this announcement.

Pacific Rainbow is a wholly-owned subsidiary of Power Rush, which in turn is wholly-owned by Mr. Chen, who is a general manager of the Company, and holds approximately 2.18% of the issued share capital of the Company. Mr. Chen's involvement in the actual operation of business of the Group is minimal. Acting as a general manager of the Company, he is mainly responsible for overseeing the business volume and progress of Triple Gain Group Limited, a subsidiary of the Company, and monitoring the development of Macau gaming industry. It is more a consultancy and advisory role

than an operation role. Therefore, Mr. Chen is not regarded as chief executive under Rule 14A.11(1) of the Listing Rules and a Connected Person of the Company. Save as disclosed above, to the Directors' best knowledge, information and belief, having made all reasonable enquiries, Pacific Rainbow and its ultimate beneficial owner, Mr. Chen are Independent Third Parties. Both Multi Fit and Pacific Rainbow are investment holding companies.

Assets to be acquired

The entire issued share capital of East & West as to 70% from Multi Fit and as to 30% from Pacific Rainbow.

The main asset of East & West is the Joli Profit Agreement 1.

Consideration

The initial consideration for the First Acquisition is HK\$1,794,560,000 (subject to adjustment), which shall be satisfied as to (a) HK\$40,000,000 in cash as deposit (the "**Initial Deposit**"), which had been paid to Multi Fit under the Heads of Agreement on 24 June 2008; (b) HK\$100,000,000 and HK\$60,000,000 (collectively the "**Second Deposit**") payable in cash to Multi Fit and Pacific Rainbow respectively upon signing of the First Acquisition Agreement; (c) HK\$140,000,000 and HK\$60,000,000 (collectively the "**Third Deposit**", together with the Initial Deposit and the Second Deposit, the "**Deposits**") payable in cash to Multi Fit and Pacific Rainbow respectively upon despatch of the circular in respect of, among other things, the First Acquisition to be issued by the Company; (d) HK\$70,000,000 and HK\$30,000,000 payable in cash to Multi Fit and Pacific Rainbow respectively upon completion of the First Acquisition; and (e) the balance of HK\$1,294,560,000 by procuring the Company to issue the Convertible Bond I in the principal amount of HK\$906,192,000 to Multi Fit and the Convertible Bond II in the principal amount of HK\$388,368,000 to Pacific Rainbow.

The cash for settling the Deposit of HK\$400 million under the First Acquisition Agreement will be sourced from the cash of the Group on hand on 31 March 2008, cash received by the Group subsequent to 31 March 2008 from the account receivables and other receivables and cash generated from the profit guarantees given to the Group in various previous acquisitions for rolling turnover generated by Sat Ieng, Dore, Nove and Joli.

The consideration for the First Acquisition is determined after arm's length negotiation among Team Jade, Multi Fit and Pacific Rainbow after considering the First Profit Guarantee of not less than HK\$384,000,000 for the Guarantee Period, and the corresponding price earning multiple of approximately 4.67 times, the continuous economic boom in Macau, the attractiveness of the casino that Joli operates as a gaming promoter and the prospects of Macau's gaming business with reference to the statistics in relation to "Gross revenue from different gaming activities" as published in the official website of Gaming Inspection and Coordination Bureau, details of which are set out in the section headed "Reasons for the Acquisitions" below. Given the comparatively low price earning multiple, especially with reference to the price earning multiple of 6 times at the deal of Neptune Group Limited (stock code: 70) and the price earning multiple of 6 times at the deal of China Star Entertainment Limited (stock code: 326), the Directors are of the view that the consideration for the First Acquisition is fair and reasonable. The view of independent non-executive Directors will be formed at the circular stage after taking into account the advice from the independent financial adviser.

Adjustment to initial consideration

In the event that the First Profit Guarantee is not achieved during the Guarantee Period, the initial consideration for the First Acquisition shall be adjusted by the formula as follows:

First Adjustment = (First Profit Guarantee – First Actual Profit) x 4.67

Where the First Adjustment is the amount to be adjusted to the initial consideration for the First Acquisition (subject to a maximum of HK\$1,794,560,000).

The First Adjustment shall be initially deducted as to 70% from the Convertible Bond I and as to 30% from the Convertible Bond II on a dollar for dollar basis. In the event that the Convertible Bond I and/or the Convertible Bond II (as the case may be) are insufficient to settle the First Adjustment, Mr. Sin and Mr. Chen have undertaken to pay to Team Jade the balance, as to 70% by Mr. Sin and 30% by Mr. Chen, in cash within 15 Business Days after receipt of notice of non-attainment of the First Profit Guarantee.

Conditions precedent

Completion of the First Acquisition Agreement is subject to the following conditions having been fulfilled:

- (a) Team Jade being in its reasonable discretion satisfied with the results of the due diligence investigation in respect of East & West, including but not limited to the affairs, business, assets, results, legal and financing structure of East & West (in particular, the Joli Profit Agreement 1);
- (b) Team Jade having received to its reasonable satisfaction a Macanese legal opinion on the legality and validity of the Joli Profit Agreement 1 and the transactions contemplated thereunder;
- (c) no event having occurred since the date of the First Acquisition Agreement to its completion, the consequence of which is to materially and adversely affect the financial position, business or property, results of operations or business prospects of East & West and such material adverse effect shall not have been caused;
- (d) the warranties given by Multi Fit, Mr. Sin, Pacific Rainbow and Mr. Chen in the First Acquisition Agreement remaining true and accurate and not misleading at the completion of the First Acquisition Agreement as if repeated at the completion of the First Acquisition Agreement and at all times between the date of the First Acquisition Agreement and its completion;
- (e) all necessary consents and approvals required to be obtained on the part of Team Jade, Multi Fit, Mr. Sin, Pacific Rainbow and Mr. Chen in respect of the First Acquisition Agreement, the Second Acquisition Agreement and the transactions contemplated thereby having been obtained;
- (f) the passing by the Independent Shareholders at the SGM to be convened and held of an ordinary resolution to approve the First Acquisition Agreement, the Second Acquisition Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Convertible Bond I, the Convertible Bond II, the Convertible Bond III and the Consideration Shares;

- (g) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Conversion Shares I, the Conversion Shares II, the Conversion Shares III and the Consideration Shares;
- (h) if necessary, the Bermuda Monetary Authority granting consent to the allotment and issue of the Conversion Shares I, the Conversion Shares II, the Conversion Shares III and the Consideration Shares; and
- (i) the Second Acquisition Agreement having become unconditional (save for the condition for the First Acquisition Agreement to become unconditional).

Completion

Completion of the First Acquisition Agreement shall take place at 11:00 a.m. on the second Business Days after the last of the conditions of the First Acquisition Agreement having been fulfilled or at such other time as may be agreed between the parties. Should the satisfaction of all the above conditions not occur on or before 31 January 2009 or such other date as the parties thereto may agree (the “**Long Stop Date**”), the First Acquisition Agreement shall terminate. Multi Fit and Pacific Rainbow have to repay Team Jade all the Deposits (without interest) received under the First Acquisition Agreement within seven days from the Long Stop Date or from the date when the Multi Fit, Pacific Rainbow or Team Jade fails to complete the sale and purchase of the entire issued share capital of East & West in accordance with the terms and conditions contained in the First Acquisition Agreement. The Deposits do not involve any collateral or any interest.

THE SECOND ACQUISITION AGREEMENT

Date : 8 August 2008 (after trading hours)

Parties : Team Jade as purchaser
Pacific Rainbow as vendor and warrantor
Mr. Chen as warrantor

Assets to be acquired

The entire issued share capital of Pacific Force.

The main asset of Pacific Force is the Joli Profit Agreement 2.

Consideration

The initial consideration for the Second Acquisition is HK\$224,320,000 (subject to adjustment), which shall be satisfied as to (i) HK\$37,329,725 by procuring the Company to issue the Consideration Shares at Completion; and (ii) the balance of HK\$186,990,275 by procuring the Company to issue the Convertible Bond III to Pacific Rainbow at Completion.

The initial consideration for the Second Acquisition is determined after arm’s length negotiation among Team Jade and Pacific Rainbow after considering the Second Profit Guarantee of not less than HK\$48,000,000 for the Guarantee Period, and the corresponding price earning multiple of approximately 4.67 times, the continuous economic boom in Macau, the attractiveness of the casino that Joli operates

as a gaming promoter and the prospects of Macau's gaming business with reference to the statistics in relation to "Gross revenue from different gaming activities" as published in the official website of Gaming Inspection and Coordination Bureau, details of which are set out in the section headed "Reasons for the Acquisitions" below. Given the comparatively low price earning multiple, especially with reference to the price earning multiple of 6 times at the deal of Neptune Group Limited (stock code: 70) and the price earning multiple of 6 times at the deal of China Star Entertainment Limited (stock code: 326), the Directors are of the view that the consideration for the Second Acquisition is fair and reasonable.

Adjustment to initial consideration

In the event that the Second Profit Guarantee is not achieved during the Guarantee Period, the initial consideration for the Second Acquisition shall be adjusted by the formula as follows:

$$\text{Second Adjustment} = (\text{Second Profit Guarantee} - \text{Second Actual Profit}) \times 4.67$$

Where the Second Adjustment is the amount to be adjusted to the initial consideration for the Second Acquisition (subject to a maximum of HK\$224,320,000)

The Second Adjustment shall be initially deducted from the Convertible Bond III on a dollar for dollar basis. In the event that the Convertible Bond III is insufficient to settle the Second Adjustment, Mr. Chen has undertaken to pay to Team Jade the balance in cash within 15 Business Days after receipt of notice of non-attainment of the Second Profit Guarantee.

Conditions precedent

Completion of the Second Acquisition Agreement is subject to the following conditions having been fulfilled:

- (a) Team Jade being in its reasonable discretion satisfied with the results of the due diligence investigation in respect of Pacific Force including but not limited to the affairs, business, assets, results, legal and financing structure of Pacific Force (in particular, the Joli Profit Agreement 2);
- (b) Team Jade having received to its reasonable satisfaction a Macanese legal opinion on the legality and validity of the Joli Profit Agreement 2 and the transactions contemplated thereunder;
- (c) no event having occurred since the date of the Second Acquisition Agreement to its completion, the consequence of which is to materially and adversely affect the financial position, business or property, results of operations or business prospects of Pacific Force and such material adverse effect shall not have been caused;
- (d) the warranties given by Pacific Rainbow and Mr. Chen in the Second Acquisition Agreement remaining true and accurate and not misleading at the completion of the Second Acquisition Agreement as if repeated at the completion of the Second Acquisition Agreement and at all times between the date of the Second Acquisition Agreement and its completion;
- (e) all necessary consents and approvals required to be obtained on the part of Team Jade, Pacific Rainbow and Mr. Chen in respect of the First Acquisition Agreement, the Second Acquisition Agreement and the transactions contemplated thereby having been obtained;

- (f) the passing by the Independent Shareholders at the SGM to be convened and held of an ordinary resolution to approve the First Acquisition Agreement, the Second Acquisition Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Consideration Shares, the Convertible Bond I, the Convertible Bond II and the Convertible Bond III;
- (g) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Consideration Shares, the Conversion Shares I, the Conversion Shares II and the Conversion Shares III; and
- (h) if necessary, the Bermuda Monetary Authority granting consent to the allotment and issue of the Consideration Shares, the Conversion Shares I, the Convertible Shares II and the Conversion Shares III; and
- (i) the First Acquisition Agreement having become unconditional (save for the condition for the Second Acquisition Agreement to become unconditional).

The Acquisitions are inter-conditional.

Completion

Completion of the Second Acquisition Agreement shall take place at 11:00 a.m. on the second Business Days after the last of the conditions of the Second Acquisition Agreement having been fulfilled or at such other time as may be agreed between the parties. Should the satisfaction of all the above conditions not occur on or before the Long Stop Date, the Second Acquisition Agreement shall terminate.

There will be no change in the Board composition upon completion of Acquisitions and both Mr. Sin and Mr. Chen will not be appointed as Directors.

OTHER IMPORTANT TERMS

Undertakings

To protect the interests of Team Jade, Multi Fit and Pacific Rainbow have undertaken that:

- (1) The Convertible Bonds will be held in escrow by the Company's legal advisers until the end of the Guarantee Period, after setting off (if any) the First Adjustment and the Second Adjustment (as the case may be);
- (2) In the event that there is any shortfall between the Joli Profit actually received and/or receivable by East & West and Pacific Force respectively at the end of the Guarantee Period, Team Jade can instruct the escrow agent to deduct the First Adjustment and/or the Second Adjustment (as the case may be) from the principal sum of the Convertible Bond I, the Convertible Bond II and the Convertible Bond III (as the case may be) and shall procure the Company to issue a new convertible bond(s) to Multi Fit or (as the case may be) Pacific Rainbow (where applicable);

- (3) if the gaming promotor licence of Joli is cancelled, revoked, terminated, or is not renewed, or amended in a material and adverse manner to Joli by the relevant authorities in Macau at any time before the maturity of the Convertible Bond I, the Convertible Bond II and the Convertible Bond III, Multi Fit and/or Pacific Rainbow (as the case may be) shall return the Convertible Bond I, the Convertible Bond II and the Convertible Bond III (as the case may be) to the Company and the Company shall not be obliged to pay any outstanding sum under the then outstanding Convertible Bond I, the Convertible Bond II and the Convertible Bond III (as the case may be), even if the Joli Profit which have been received by the Group pursuant to the First Acquisition Agreement and/or the Second Acquisition Agreement (as the case may be) exceeds the First Profit Guarantee and/or the Second Profit Guarantee (as the case may be) at the time of the cancellation, revocation, termination or non-renewal of the gaming promoter licence of Joli.

TERMS OF CONVERTIBLE BONDS

The terms of the Convertible Bonds have been negotiated on an arm's length basis and the principal terms of which are summarised below:

Issuer

The Company

Principal amount

HK\$906,192,000 for the Convertible Bond I
HK\$388,368,000 for the Convertible Bond II
HK\$186,990,275 for the Convertible Bond III

Interest

7% per annum, payable quarterly in arrears.

Maturity

A fixed term of 10 years from the date of issue the Convertible Bond I, the Convertible Bond II and the Convertible Bond III respectively. Unless previously redeemed, converted or cancelled, the Company shall redeem the outstanding principal amount of the Convertible Bonds on the maturity date.

Conversion

The Bondholder(s) may at any time during the Conversion Period convert the whole or part (in multiples of HK\$1,000,000) of the principal amount of the Convertible Bonds into new Shares at the Conversion Price.

The Company may at any time during the Conversion Period by at least seven days' prior notice in writing request the Bondholder(s) to convert certain amount of the Convertible Bonds as specified therein and the Bondholder(s) shall convert such amount of the Convertible Bonds registered its names into Shares as so requested by the Company.

Provided that any conversion of the Convertible Bonds does not trigger a mandatory offer obligation under Rule 26 of the Code on the part of the Bondholder(s) which exercised the conversion right and their respective concert parties, the Bondholder(s) shall have the right at any time during the Conversion Period to convert the whole or part of the outstanding principal amount of the Convertible Bonds into Shares.

1,969,982,608 Conversion Shares will be allotted and issued upon full conversion of Convertible Bond I 844,278,260 Conversion Shares will be allotted and issued upon full conversion of Convertible Bond II and 406,500,597 Conversion Shares will be allotted and issued upon full conversion of Convertible Bond III. As such, the total number of Conversion Shares to be allotted and issued upon full conversion of the Convertible Bonds are 3,220,761,465.

Conversion Price

The Conversion Price is HK\$0.46 per Conversion Share (subject to adjustment). The adjustments are subject to review by the Company's auditors. The adjustments for the Conversion Price include the followings:

- (i) no alteration of the nominal amount of each Share by reason of any consolidation or subdivision;
- (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) a capital distribution being made by the Company, whether on a reduction or otherwise, to Shareholders (in their capacity as such) or a grant by the Company to Shareholders (in their capacity as such) or rights to acquire for cash assets of the Company or any of its subsidiaries;
- (iv) an offer of new Shares for subscription by way of rights, or a grant of options or warrants to subscribe new Shares being made by the Company to Shareholders (in their capacity as such);
- (v) an issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares and the total effective consideration per Share receivable for such securities is less than 80% of the market price on the date of announcement of the terms of the issue of such securities;
- (vi) an issue of Shares wholly for cash at a price per Share which is less than 80% of the market price on the date of announcement of the terms of such issue; and
- (vii) an issue of Shares for acquisition of assets at a total effective consideration per Share which is less than 80% of the market price of the date of the announcement of the terms of such issue.

The Conversion Price represents (i) a premium of approximately 109.1% over the closing price of HK\$0.22 per Share as quoted on the Stock Exchange on 8 August 2008, being the date immediately prior to the date of suspension of trading in the Shares (the "Last Trading Day"); (ii) a premium of approximately 95.9% over the average closing price of HK\$0.2348 per Share as quoted on the Stock Exchange for the last five trading days upon to and including the Last Trading Day; a premium of

approximately 91.9% over the average closing price of HK\$0.2397 per Share as quoted on the Stock Exchange for the last ten trading days upon to and including the Last Trading Day; and (iv) a discount of approximately 45.17% to the net asset value per Share of HK\$0.839 based on the audited consolidated accounts of the Group as at 31 March 2008.

Conversion Shares

Assuming there is an immediate exercise in full of the conversion rights attaching to the Convertible Bonds at the Conversion Price by the Bondholder(s), the Company will allot and issue an aggregate of 3,220,761,465 new Shares, which is the maximum number of Shares to be issued, representing approximately 185% of the existing issued share capital of the Company.

The Conversion Shares will be allotted and issued pursuant to the specific mandate to be sought at the SGM.

Redemption and early redemption

The Company may at any time upon the respective date of issue and before the respective maturity date of the Convertible Bonds, by serving at least seven days' prior written notice on the Bondholder(s) with the total amount proposed to be redeemed from the Bondholder(s) specified therein, redeem the Convertible Bonds.

Any amount of the Convertible Bonds which remains outstanding on the maturity date shall be redeemed at its then outstanding principal amount, inclusive of interests as accrued.

Ranking

The Conversion Shares, when allotted and issued, will rank pari passu in all respects with all existing Shares in issue on the date of the allotment and issue of the Conversion Shares.

Status of the Convertible Bonds

The Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and rank pari passu without any preference (with the exception as may be provided by applicable legislation) equally with all other present and/or future unsecured and unsubordinated obligations of the Company.

Transferability

The Bondholder(s) may only assign or transfer the Convertible Bonds to the transferee subject to the consent of the Company.

The Company has undertaken to the Stock Exchange that it will promptly notify the Stock Exchange upon becoming aware of any dealings in the Convertible Bonds by any Connected Person of the Company.

Voting rights

The Convertible Bonds do not confer any voting rights at any meetings of the Company.

Cancellation of the Convertible Bonds or deduction from the outstanding sum

The Company has right to cancel the Convertible Bonds or deduct any amount from the outstanding sum under the Convertible Bonds in accordance with the terms of the First Acquisition Agreement and/or the Second Acquisition Agreement (as the case may be).

Application for listing

No application will be made by the Company for listing of the Convertible Bonds. Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

DILUTION EFFECT ON SHAREHOLDING

In view of the future dilution to existing Shareholders on the exercise of the conversion rights attached to the Convertible Bonds, the Company will keep Shareholders informed of the level of dilution and details of conversion as follows:

- (a) the Company will make a monthly announcement (the “Monthly Announcement”) on the website of the Stock Exchange after issue of the Convertible Bonds. Such announcement will be made on or before the fifth Business Day following the end of each calendar month and will include the following details in a table form:
 - (i) whether there is any conversion of the Convertible Bonds during the relevant month. If yes, details of the conversion(s), including the conversion date, number of new Shares issued, conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;
 - (ii) the outstanding principal amount of the Convertible Bonds after the conversion, if any;
 - (iii) the total number of new Shares issued pursuant to other transactions during the relevant month, including new Shares issued pursuant to exercise of options under any share option scheme(s) of the Company; and
 - (iv) the total issued share capital of the Company as at the commencement and the last day of the relevant month;
- (b) in addition to the Monthly Announcement, if the cumulative amount of new Shares issued pursuant to the conversion of the Convertible Bonds reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the website of the Stock Exchange including details as stated in (a) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds, up to the date on which the total amount of Shares issued pursuant to the conversion amounts to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds; and

- (c) if the Company forms the view that any issue of Conversion Shares will trigger the disclosure requirements under Rule 13.09 of the Listing Rules, then the Company is obliged to make such disclosures regardless of the issue of any announcements in relation to the Convertible Bonds as mentioned in (a) and (b) above.

TERMS OF CONSIDERATION SHARES

81,151,576 Consideration Shares will be allotted and issued at an issue price of HK\$0.46 per Consideration Share, credited as fully paid. The Consideration Shares, when allotted and issued, shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares including the right to all dividends, distributions and other payments made or to be made, the record date for which falls on or after the date of such allotment and issue.

The Consideration Shares represent (i) approximately 4.67% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.46% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Issue Price represents (i) a premium of approximately 109.1% over the closing price of HK\$0.22 per Share as quoted on the Stock Exchange on 8 August 2008, being the date immediately prior to the date of the suspension of trading in the Shares pending the release of this announcement; (ii) a premium of approximately 95.9% over the average of the closing prices of approximately HK\$0.2348 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and (iii) a premium of approximately 91.9% over the average of the closing prices of HK\$0.2397 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

Application for listing

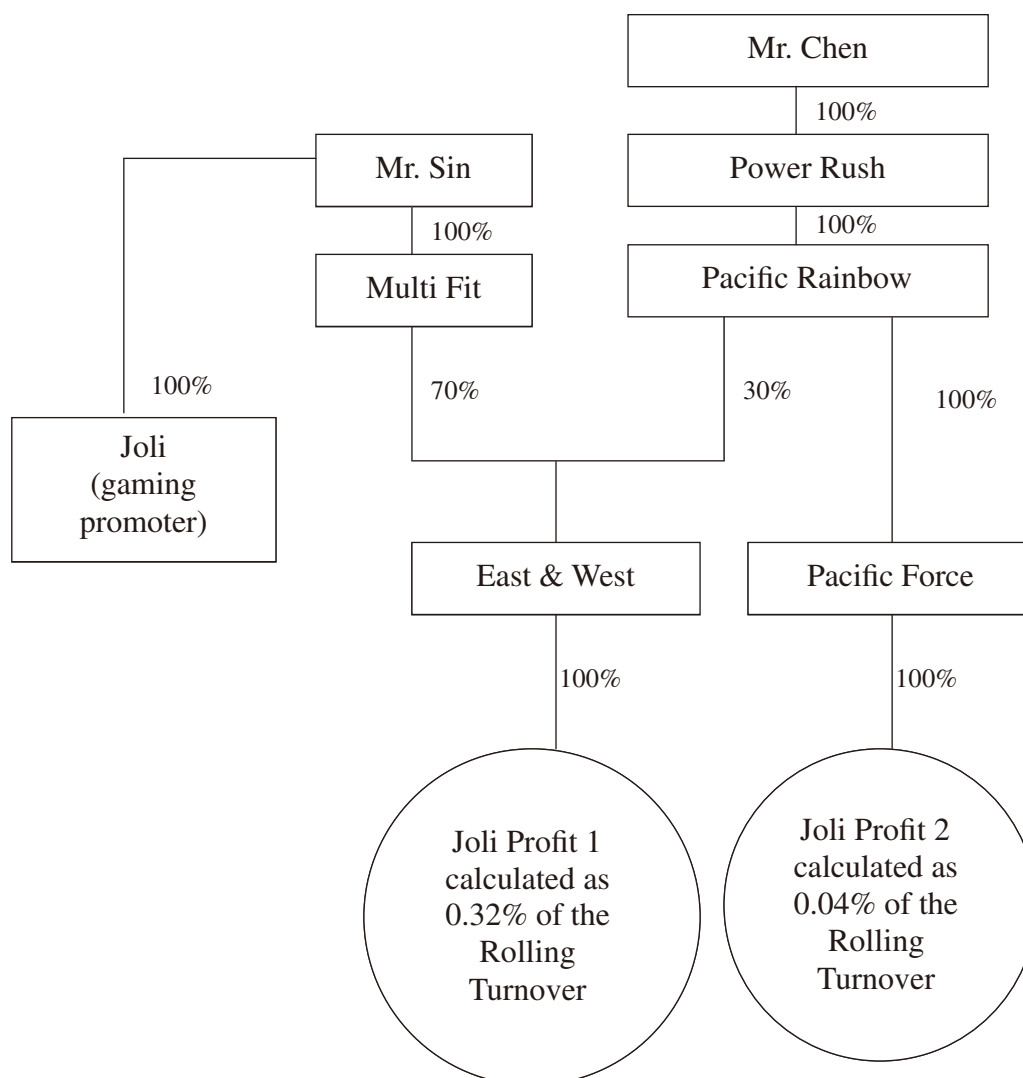
Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Issue under specific mandate

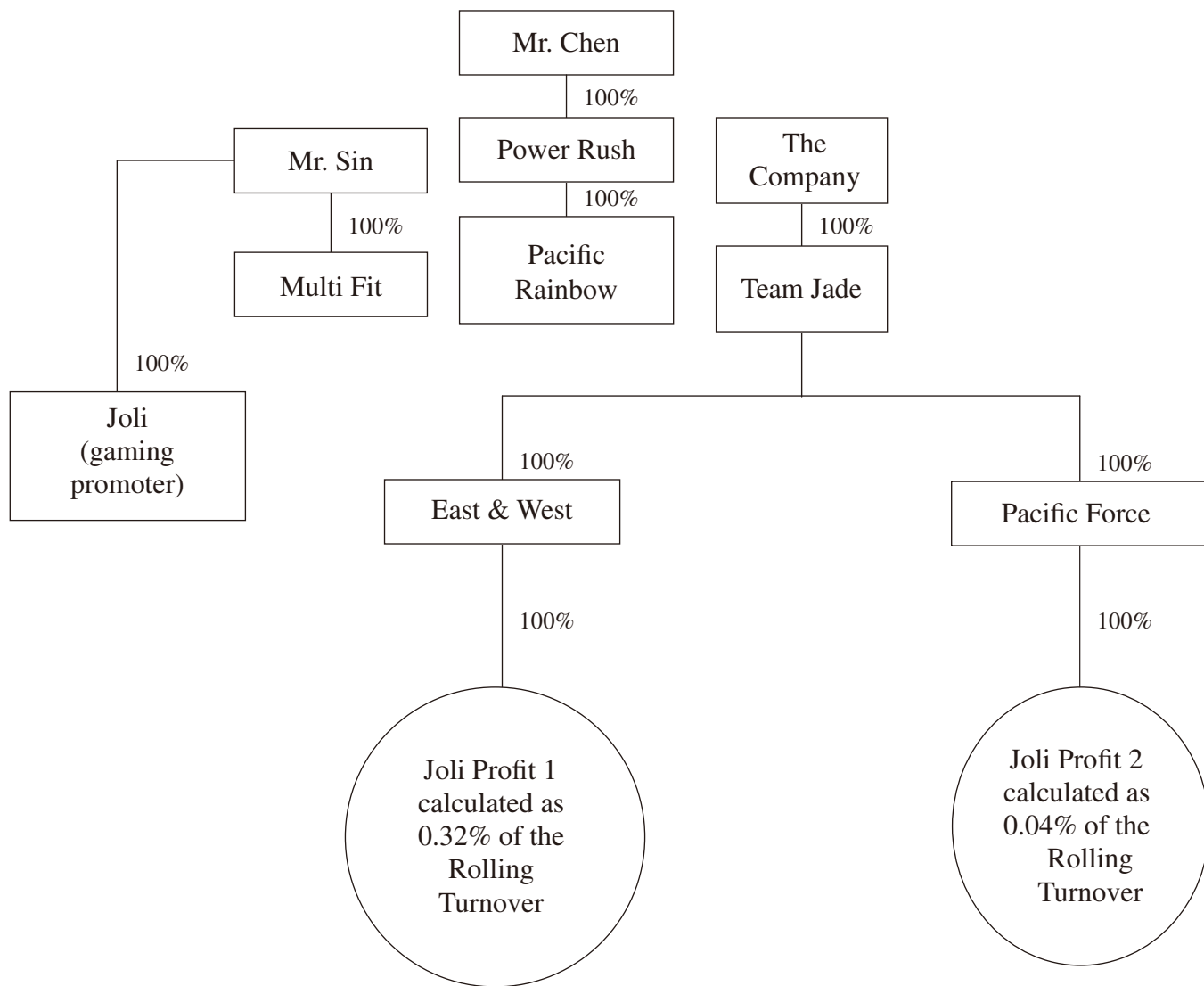
The Consideration Shares will be allotted and issued pursuant to the specific mandate to be sought at the SGM.

CHANGE OF SHAREHOLDING STRUCTURE OF RELEVANT ENTITIES

The diagram below shows the shareholdings structure of East & West and Pacific Force as at the date of this announcement:



The diagram below shows the shareholdings structure of East & West and Pacific Force upon completion of the Acquisitions:



Note: Multi Fit is interested in approximately 12.88% of the issued share capital of the Company as at the date of this announcement.

CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (1) before Completion; (2) after allotment and issue of the Consideration Shares; (3) after full conversion of the Convertible Bond I and after allotment and issue of the Consideration Shares; (4) after full conversion of the Convertible Bond II and III and after allotment and issue of the Consideration Shares; (5) after full conversion of the Convertible Bonds and after allotment and issue of the Consideration Shares; (6) after full conversion of all outstanding convertible bonds and the Convertible Bonds and after allotment and issue of the Consideration Shares; and (7) assuming full conversion of all outstanding convertible bonds, after allotment and issue of the Consideration Shares and after conversion of the Convertible Bonds to the extent that the shareholdings of Multi Fit and Pacific Rainbow are restricted to less than 30% of the then issued share capital of the Company:

| Shareholders | Before Completion | | After allotment and issue of the Consideration Shares | | After full conversion of Convertible Bond I and after allotment and issue of the Consideration Shares (Note 1) (For illustrative purpose only) | |
|---------------------------------|----------------------|------------|---|------------|---|------------|
| | Shares | % | Shares | % | Shares | % |
| Multi Fit | 224,000,000 | 12.88 | 224,000,000 | 12.30 | 2,193,982,608 | 57.88 |
| Pacific Rainbow (Note 2) | – | – | 81,151,576 | 4.46 | 81,151,576 | 2.14 |
| Power Rush (Note 2) | 38,018,868 | 2.18 | 38,018,868 | 2.09 | 38,018,868 | 1.00 |
| Public Shareholders | | | | | | |
| Rich Game Capital Inc. (Note 3) | 37,560,000 | 2.16 | 37,560,000 | 2.06 | 37,560,000 | 0.99 |
| Other public Shareholders | 1,439,676,325 | 82.78 | 1,439,676,325 | 79.09 | 1,439,676,325 | 37.99 |
| | <u>1,739,255,193</u> | <u>100</u> | <u>1,820,406,769</u> | <u>100</u> | <u>3,790,389,377</u> | <u>100</u> |

| Shareholders | After full conversion of Convertible Bond II and III and after allotment and issue of the Consideration Shares (Note 1) (For illustrative purpose only) | | After full conversion of the Convertible Bonds and after allotment and issue of the Consideration Shares (Note 1) (For illustrative purpose only) | | After full conversion of all outstanding convertible bonds and the Convertible Bonds and after allotment and issue of the Consideration Shares (Note 1) (For illustrative purpose only) | | Assuming full conversion of all outstanding convertible bonds, after allotment and issue of the Consideration Shares and after conversion of the Convertible Bonds to the extent that the shareholdings of Multi Fit and Pacific Rainbow are restricted to less than 30% of the then issued share capital of the Company | |
|---------------------------------|--|-------------|--|---------------|--|---------------|--|---------------|
| | Shares | % | Shares | % | Shares | % | Shares | % |
| | Multi Fit | 224,000,000 | 7.29 | 2,193,982,608 | 43.52 | 2,193,982,608 | 41.74 | 1,296,715,907 |
| Pacific Rainbow (Note 2) | 1,331,930,433 | 43.37 | 1,331,930,433 | 26.42 | 1,331,930,433 | 25.34 | 1,296,715,907 | 29.99 |
| Power Rush (Note 2) | 38,018,868 | 1.24 | 38,018,868 | 0.75 | 167,159,493 | 3.18 | 167,159,493 | 3.87 |
| Public Shareholders | | | | | | | | |
| Rich Game Capital Inc. (Note 3) | 37,560,000 | 1.22 | 37,560,000 | 0.75 | 123,560,000 | 2.35 | 123,560,000 | 2.86 |
| Other public Shareholders | 1,439,676,325 | 46.88 | 1,439,676,325 | 28.56 | 1,439,676,325 | 27.39 | 1,439,676,325 | 33.29 |
| | <u>3,071,185,626</u> | <u>100</u> | <u>5,041,168,234</u> | <u>100</u> | <u>5,256,308,859</u> | <u>100</u> | <u>4,323,827,632</u> | <u>100</u> |

Notes:

1. For illustrative purpose only. Such scenario shall never occur. Pursuant to the terms of the Convertible Bonds, conversion of the Convertible Bonds is restricted that any conversion of the Convertible Bonds does not trigger a mandatory offer obligation under Rule 26 of the Code on the part of the Bondholder(s) which exercised the conversion right and their respective concert parties.
2. Pacific Rainbow is wholly-owned by Power Rush, which, in turn, is wholly-owned by Mr. Chen.
3. Rich Game Capital Inc. is owned as to 51% by Global Rainbow Ltd. and 49% by Smart Gallant Limited. Both Global Rainbow Ltd. and Smart Gallant Limited are wholly owned by Mr. Jean, Christophe Scolari, a general manager of the Company.

INFORMATION ON EAST & WEST

East & West is incorporated on 17 March 2008 and is an investment holding company. The main asset of East & West is the Joli Profit Agreement 1. Other than the sharing of the profit stream under the Joli Profit Agreement 1, East & West has not conducted any other businesses since its incorporation.

According to the unaudited accounts of East & West, since its incorporation up to 31 July 2008, East & West does not have any profit and the total assets of and net assets of East & West as at 31 July 2008 were approximately HK\$78 and HK\$78 respectively.

On 24 June 2008, East & West as a purchaser entered into the Joli Profit Agreement 1 with Mr. Sin as a vendor and Joli, pursuant to which Mr. Sin has agreed to sell, as beneficial owner, and/or assign to East & West absolutely his right, title and interest and benefits in and to the Joli Profit 1 calculated as 0.32% of the Rolling Turnover at a consideration of HK\$1.00.

Under the Joli Profit Agreement 1, Mr. Sin has undertaken to East & West that he will not at any time:

- (1) carry on the business of directing gaming patrons to casinos in Macau without the prior written approval from the shareholder(s) of East & West;
- (2) either on his own account or in conjunction with or on behalf of any other person or body corporate or unincorporate in competition with Joli directly and indirectly solicit or entice away from Joli any person or body corporate or unincorporate who now is or at any time a customer of Joli;
- (3) either on his own account or in conjunction with or on behalf of any other person or body corporate or unincorporate directly or indirectly solicit or entice away from Joli or employ or otherwise engage any person who now is or at any time any employee of Joli; and
- (4) transfer his shareholding at Joli to any person without the prior consent to the shareholder(s) of East & West.

The Joli Profit Agreement 1 has been completed on 24 June 2008. There is no expiry date of the Joli Profit Agreement 1. The Joli Profit 1 is generated from the gaming tables at the VIP gaming rooms in the new wing of Wynn Macau opened on 22 December 2007.

INFORMATION OF PACIFIC FORCE

Pacific Force is incorporated on 17 March 2008 and is an investment holding company. The main asset of Pacific Force is the Joli Profit Agreement 2. Other than the sharing of the profit stream under the Joli Profit Agreement 2, Pacific Force has not conducted any other businesses since its incorporation.

According to the unaudited accounts of Pacific Force, since its incorporation up to 31 July 2008, Pacific Force does not have any profit and the total assets of and net assets of Pacific Force as at 31 July 2008 were approximately HK\$8 and HK\$8 respectively.

On 24 June 2008, Pacific Force as a purchaser entered into the Joli Profit Agreement 2 with Mr. Sin as a vendor and Joli, pursuant to which Mr. Sin has agreed to sell, as beneficial owner, and/or assign to Pacific Force absolutely his right, title and interest and benefits in and to the Joli Profit 2 calculated as 0.04% of the Rolling Turnover at a consideration of HK\$1.00.

Under the Joli Profit Agreement 2, Mr. Sin has undertaken to Pacific Force that he will not at any time:

- (1) carry on the business of directing gaming patrons to casinos in Macau without the prior written approval from the shareholder(s) of Pacific Force;
- (2) either on his own account or in conjunction with or on behalf of any other person or body corporate or unincorporate in competition with Joli directly and indirectly solicit or entice away from Joli any person or body corporate or unincorporate who now is or at any time a customer of Joli;

- (3) either on his own account or in conjunction with or on behalf of any other person or body corporate or unincorporate directly or indirectly solicit or entice away from Joli or employ or otherwise engage any person who now is or at any time any employee of Joli; and
- (4) transfer his shareholding at Joli to any person without the prior consent to the shareholder(s) of Pacific Force.

The Joli Profit Agreement 2 has been completed on 24 June 2008. There is no expiry date of the Joli Profit Agreement 2. The Joli Profit 2 is generated from the gaming tables at the VIP gaming rooms in the new wing of Wynn Macau opened on 22 December 2007.

INFORMATION OF JOLI, MULTI FIT, PACIFIC RAINBOW, MR. SIN AND MR. CHEN

Information of Joli

Joli is a company incorporated in Macau on 12 October 2007 and is wholly owned by Mr. Sin.

Joli has been appointed by Wynn Macau as a gaming promoter since December 2007. Gaming promoters are those persons who work with the casino operators in the high roller or VIP market. Many of the high rollers or VIP customers of the casinos are sourced by a network of gaming promoters who work with it. The gaming promoter business involves marketing and organizing business trips for enticing customers to participate in the gaming activities provided by the casino operator at VIP gaming rooms and providing related services, including food and beverage services, entertainment, accommodation arrangement and even providing VIP customers with credit.

Joli is licensed to act as a gaming promoter in Macau as evidenced in the “Licença De Promotor De Jogo Pessoa Colectiva”. The gaming promoter licence of Joli was granted on 5 December 2007 and was renewed on 2 January 2008. The renewed gaming promoter licence is valid until 31 December 2008. The gaming promoter licence of Joli is renewable annually.

Information of Multi fit and Mr. Sin

Multi Fit is an investment holding company which is wholly owned by Mr. Sin and is a substantial Shareholder of the Company holding approximately 12.88% of the issued share capital of the Company as at the date of this announcement.

Mr. Sin is a trader of general merchandise. Through his business contacts, in particular with PRC entrepreneurs in both PRC and Hong Kong, he has established networks in the business circles in both mainland China and Hong Kong. Apart from his trading business, Mr. Sin has experience and knowledge in Asian gaming, including as an oversea promoter of several Macau casinos' VIP lounges and participating in organising Asian gaming tours to Macau for many years. Mr. Sin, who was one of the agents of Mr. Jean, Christophe Scolari in the past, was introduced to the Company through Mr. Jean, Christophe Scolari, a general manager of the Company.

Information of Pacific Rainbow and Mr. Chen

Pacific Rainbow is an investment holding company which is wholly owned by Mr. Chen. As at the date of this announcement, Mr. Chen, through Power Rush, holds approximately 2.18% of the issued share capital of the Company.

Mr. Chen is a general manager of the Company with consultancy and advisory role in the Company. He has experience and knowledge in Asian gaming for about 3 years, including as an oversea promoter of a Macau casino and a few VIP gaming rooms in Macau, an agent for certain Hong Kong based cruise gaming ships and participating in organisation gaming tours for Taiwan and Japanese businessmen to various casinos in Las Vegas, Gentling, Walker Hill and Australia. Nove, a company wholly owned by Mr. Chen, has been appointed by Venetian Macau, S.A. as a gaming promoter since August 2007.

REASONS FOR THE ACQUISITIONS

The Company is an investment holding company. The Group is principally engaged in investing in operations which receive the profit streams from the entertainment related business and the trading of timber logs and provision of services.

The Group has been looking for further investment opportunities in order to maximise the return to the Shareholders. The gaming activities in Macau are prosperous. Based on the statistics in relation to “Gross revenue from different gaming activities” as published in the official website of Gaming Inspection and Coordination Bureau of the Government of Macau, the revenue generated by the gaming activities is growing steadily at an average annual growth rate of approximately 43% for the period between 2002 and 2007, and the gaming revenue amounted to MOP83.85 billion for the year of 2007. In the first half of the year 2008, the reported gross gaming revenues of Macau have grown further to MOP54.6 billion. The Directors expects that the Acquisitions will be a good opportunity for the Group to generate additional income in the future. Moreover, the Acquisitions can diversify the source of profit that the Company shares and reduce the Company’s reliance on the profit sourced from the rolling turnover generated by Sat Ieng, Dore and Nove in the relevant casinos in Macau.

In addition, the Board considers that the market of gaming activities in Macau is moving towards a direction that the gaming promoters will aggregate as a team to bargain for more competitive terms with casinos in Macau. Moreover, they would aggregate together in becoming super-junkets so as to establish a mutually beneficial balance amongst concession holders, leading gaming promoters (super-junkets) and agents. Meanwhile, those smaller promoters would gradually be absorbed and become agents of those super-junkets. The Acquisitions would maintain the Group’s leading or prominent position in Macau casinos, in particular those US casinos operating in Macau.

To ensure the Acquisitions are fair and reasonable and in the interest of the Shareholders as a whole, (1) legal opinion has been sought to ensure that the gaming business participated by Joli is lawful; (2) favourable terms, including the First Profit Guarantee and the Second Profit Guarantee, are also bargained from the counterparties, which is secured by the escrowed Convertible Bonds; (3) the adjustments to the considerations for the Acquisitions, in the event that the First Profit Guarantee and/or the Second Profit Guarantee is/are not achieved; (4) the Directors have also made reference to the price earnings multiple of approximately 4.67 times based on the considerations for the Acquisitions and the relevant profit guarantees and consider that the price earning multiple is fair and reasonable, especially with reference to the price earnings multiples of other listed issuers engaging in gaming business; and (5) to protect the Company against the risk of the non-renewal of the gaming promoter licence of Joli, the Directors have negotiated for a term that (i) the First Profit Guarantee and the Second Profit Guarantee are still enforceable even if the Joli Junket Representative Agreement cannot be renewed during the Guarantee Period; and (ii) in the event the gaming promoter licence of Joli is cancelled, revoked, terminated or is not renewed or amended in a material and adverse manner to Joli by the relevant authorities in Macau at any time before the maturity of the Convertible Bonds, Multi Fit and/or Pacific Rainbow (as the case may be) shall return the Convertible Bonds to the Company and the Company’s obligation to pay any

outstanding sum under the Convertible Bonds shall be fully discharged, even if the Joli Profit which have been received by the Group pursuant to the First Acquisition Agreement and/or the Second Acquisition Agreement (as the case may be) exceeds the relevant profit guarantees and/or the amount of the considerations for the First Acquisition and/or the Second Acquisition (as the case may be) at the time of the cancellation, revocation, termination or non-renewal of the gaming promoter licence of Joli.

Taking into account the benefits of the Acquisitions as described above, the Directors are of the view that the First Acquisition Agreement and the Second Acquisition Agreement are entered into on normal commercial terms following arm's length negotiations between the parties to the First Acquisition Agreement and the Second Acquisition Agreement respectively, the terms of the Acquisitions are fair and reasonable and the Acquisitions are in the interests of the Company and the Shareholders as a whole. The view of independent non-executive Directors will be formed at the circular stage after taking into account the advice from the independent financial adviser.

LISTING RULES IMPLICATION

As Multi Fit is a substantial Shareholder interested in approximately 12.88% of the issued share capital of the Company as at the date of this announcement, the First Acquisition constitutes a connected transaction on the part of the Company under the Listing Rules. The First Acquisition also constitutes a very substantial acquisition on the part of the Company under the Listing Rules. As the Second Acquisition involves the same vendor, namely Pacific Rainbow and the acquisition of the same profit stream, that is, the Joli Profit, the Second Acquisition shall be aggregated with the First Acquisition. As the Previous Acquisition involved the same vendor as the First Acquisition, namely Multi Fit, and the acquisition of the same profit stream as the Acquisitions, the Acquisitions shall be aggregated with the Previous Acquisition. Therefore, the Second Acquisition when aggregated with the First Acquisition and the Previous Acquisition constitutes a very substantial acquisition on the part of the Company under the Listing Rules. As Pacific Rainbow is the vendor of both the First Acquisition, a connected transaction and the Second Acquisition and the Acquisitions are inter-conditional, the Second Acquisition is also a connected transaction.

As the cash Deposits payable to Multi Fit and Pacific Rainbow before completion of the First Acquisition amount to HK\$400 million and such amount of Deposits exceed 8% of the asset ratio as defined under rule 14.07(1) of the Listing Rules, the payment of Deposits constitutes an advance to entities under Rule 13.13 of the Listing Rules.

The Acquisitions are subject to, among other things, the approval by the Independent Shareholders at the SGM to be taken by way of a poll. Multi Fit, Mr. Sin, Power Rush, Mr. Chen and their respective associates will abstain from voting for the relevant resolutions at the SGM due to their interests in the Acquisitions. A circular containing, among other things, further information in respect of the Acquisitions, the financial information on the Group, the letter of advice from the independent board committee of the Company and an independent financial adviser to be appointed by the Company in respect of the Acquisitions, and a notice of the SGM will be despatched to the Shareholders in accordance with the Listing Rules. The independent board committee of the Company comprises Mr. Leung Chi Hung, Mr. Tsui Robert Che Kwong and Mr. Cheung Yim Kong, Johnny. None of them has material interest in the Acquisitions.

The Company will seek legal opinion from the Macau lawyer and will include the opinion of Macau lawyer in respect of the legality and validity of the transaction at the circular stage.

IMPLICATIONS UNDER THE LAWS OF HONG KONG AND THE LISTING RULES

After completion of the Acquisitions, the Group, including East & West and Pacific Force, will not directly or indirectly be engaged in gambling activities and operation of such gambling activities.

Having duly considered the relevant laws of Hong Kong, including the Gambling Ordinance (Cap. 148), Crimes Ordinance (Cap. 200) and laws governing money laundering activities, the Company's legal advisers as to Hong Kong laws are of the view that:

- (1) the completion of the Acquisitions will not result in the Group directly or indirectly engaging in gambling activities and operation of such gambling activities;
- (2) the Company is not in breach of any applicable laws of Hong Kong as a result of the Acquisitions; and
- (3) the gaming promotion business carried out by Joli does not contravene any applicable laws of Hong Kong.

Shareholders should be aware that under the guidelines issued by the Stock Exchange in relation to "Gambling activities undertaken by listing applicants and/or listed issuers" dated 11 March 2003, should the Group directly or indirectly be engaged in gambling activities and operation of such gambling activities (i) fail to comply with the applicable laws in the areas where such activities operate and/or (ii) contravene the Gambling Ordinance, the Company or its business may be considered unsuitable for listing under Rule 8.04 of the Listing Rules, the Stock Exchange may direct the Company to take remedial action, and/or may suspend dealings in, or may cancel the listing of, the Shares.

Apart from relying on such stringent official control, the Company will also use its best endeavours to procure that effective internal control systems in place to make sure that the dividend distributed from East & West and Pacific Force is derived from proper source.

In fact, the Company has issued its internal written policies to prevent money laundering, which has been communicated to the management and relevant staff in the Company. Basically, the Company has established and maintained procedures to combat money laundering so as to enable suspicions of money laundering to be recognized and reported to the authorities and to produce its part of the audit trail to assist in official investigation. In particular, the Company:

1. has procedures to verify the identity of new clients/counterparties;
2. has record keeping procedures and will keep the relevant records, including account ledger records, a record of all internal reports to the money laundering reporting officer regarding suspected money laundering, a record of all investigations and other information taken into account by the money laundering reporting officer when deciding whether or not to report to the authority and a record of all reports to the authority regarding the suspected money laundering, for a certain period of time;
3. has procedures for employees to report any suspicious transactions, normally, the employees have to report and discuss with the money laundering reporting officer any suspected transaction without delay;

4. will ensure that employees are suitably trained and made aware of the reporting procedures and in the recognition and handling of suspicious transactions. Periodic training will be provided to the employees so as to regularly refresh their knowledge of combating money laundering; and
5. has appointed a money laundering reporting officer. He will make further appropriate investigations into the suspected money laundering activities reported to him by the employees and will report the same to the relevant authorities, including the Hong Kong Monetary Authority and co-operate with them.

The Company will cross-check the Joli Profit received or receivable with the original monthly junket promoter settlement forms issued by Wynn Macau recording the Rolling Turnover generated by Joli. Further, the Company will from time to time obtain direct confirmations in respect of the Rolling Turnover generated by Joli from Wynn Macau.

Joli has also implemented its internal control procedures and regulations in assisting Wynn Macau, to detect suspicious transactions in combating the money laundering. The measures include the followings:

1. Customer due diligence

Joli does not keep anonymous accounts or accounts in obviously fictitious names. It undertakes customer due diligence measures, including identifying and verifying the identity of its customers by using reliable, independent source documents, data or information like official identification documents such as passport and identification card before or during the course of establishing a business relationship with the customer.

2. New and developing technologies that favour anonymity

Joli pays attention to any money laundering threats that may arise from any new and developing technologies that favour anonymity and, if necessary, to prevent their use in money laundering schemes.

3. Record keeping

Joli maintains, for at least seven years, all necessary records on transactions to enable them to comply swiftly with information requests from the competent authorities. Such record must be sufficient to permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of criminal activity.

Joli also keeps records on the identification data obtained through the customer due diligence process and will make available to domestic competent authorities upon appropriate authorities.

4. Reporting of suspicious transactions

Joli pays attention to all settlement of unusually large sums and all unusual patterns of transactions which have no apparent economic or visible lawful purpose. If Joli suspects or has reasonable grounds to suspect that money that it deals with when providing its settlement services are the proceeds of a criminal activity, or is related to terrorist financing, or otherwise is linked to or related to, or is to be used for terrorism, it will report promptly its suspicions to competent authorities.

RISK FACTORS OF THE JUNKET BUSINESS

The followings are the risk factors in relation to the junket business operated by Joli:

- (1) The provision of junket business is competitive in general. There is no guarantee that the targeted customers of Joli will not be lured away by other junket operators.
- (2) The Rolling Turnover generated by Joli operating as a junket representative in Wynn Macau relies on, among other factors, the attractiveness of Wynn Macau to the prospective customers, Joli's ability to procure customers to Wynn Macau, annual renewal of the gaming promoter licence of Joli by the Macau Government, tenure of Joli acting as junket representative for Wynn Macau under the Joli Junket Representative Agreement. There is no assurance that Wynn Macau is always attractive. In the event that Joli ceases to be committed to the junket business or cease to be appointed as junket representative by Wynn Macau, the junket business, and thereby the Joli Profit to be paid to the East & West and Pacific Force respectively, may be adversely affected. Moreover, if Joli fails to obtain the renewal of its gaming promoter licence from the Macau Government, it can no longer operate its junket business and no Joli Profit can be paid to East & West and Pacific Force as a result.
- (3) In the event that Wynn Macau becomes the target for carrying out money laundering, the Rolling Turnover generated by Joli may be affected and/or interrupted.
- (4) The operation of the junket business by Joli is subject to the ability of Joli in obtaining its renewed licence from the Macau Government each year.
- (5) The availability of the Joli Profit relating to the Rolling Turnover generated by Joli at Wynn Macau gaming rooms pursuant to the Joli Junket Representative Agreement heavily depends on the subsistence of the Joli Junket Representative Agreement and on whether the Joli Junket Representative Agreement can be successfully renewed. The Joli Junket Representative Agreement may or may not be renewed by Wynn Macau at the expiry of the term of the Joli Junket Representative Agreement. In general, the term of agreement between the junket operator and the casino operator is tied with the terms of the gaming promoter licence. Therefore, the term of the Joli Junket Representative Agreement can also be tied with the terms of respective gaming promoter licence of Joli, which is valid for one year.
- (6) As the Joli Profit is currently sourced from Rolling Turnover generated by Joli pursuant to the Joli Junket Representative Agreement, **there is a risk that the Joli Profit will cease if the Joli Junket Representative Agreement terminated or the gaming promoter licence of Joli cannot be renewed.**

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 11 August 2008 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 15 August 2008.

DEFINITIONS

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

| | |
|------------------------|---|
| “Acquisitions” | collectively, the First Acquisition and the Second Acquisition |
| “associates” | has the same meaning ascribed to it under the Listing Rules |
| “Board” | board of the Directors |
| “Bondholder(s)” | Holder(s) of the Convertible Bonds |
| “Business Day” | a day (not being a Saturday, a Sunday or days on which a typhoon signal No. 8 or black rainstorm warning is hoisted in Hong Kong at 10:00 a.m.) on which banks are generally open for general banking business in Hong Kong |
| “Codes” | The Codes on Takeovers and Mergers |
| “Company” | Dore Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange |
| “Completion” | completion of the First Acquisition Agreement and the Second Acquisition Agreement |
| “Connected Person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Consideration Shares” | 81,151,576 new Shares to be allotted and issued to Pacific Rainbow at the Issue Price and credited as fully paid subject to and in accordance with the terms and conditions of the Second Acquisition Agreement |
| “Conversion Period” | the period commencing from the release of the Convertible Bonds under escrow pursuant to the First Acquisition Agreement and/or the Second Acquisition Agreement (as the case may be) up to 4:00 p.m. (Hong Kong time) on the day immediately prior to and exclusive of the maturity date |
| “Conversion Price” | the initial conversion price of HK\$0.46 per Conversion Share (subject to adjustment) pursuant to the terms of the Convertible Bonds |
| “Conversion Shares” | collectively the Conversion Shares I, the Conversion Shares II and the Conversion Shares III |
| “Conversion Shares I” | the new Shares to be issued and allotted upon conversion of the Convertible Bond I |

| | |
|-------------------------------|---|
| “Conversion Shares II” | the new Shares to be issued and allotted upon conversion of the Convertible Bond II |
| “Conversion Shares III” | the new Shares to be issued and allotted upon conversion of the Convertible Bond III |
| “Convertible Bond I” | a convertible bond in the principal amount of HK\$906,192,000 to be issued by the Company in favour of Multi Fit pursuant to the First Acquisition Agreement |
| “Convertible Bond II” | a convertible bond in the principal amount of HK\$388,368,000 to be issued by the Company in favour of Pacific Rainbow pursuant to the First Acquisition Agreement |
| “Convertible Bond III” | a convertible bond in the principal amount of HK\$186,990,275 to be issued by the Company in favour of Pacific Rainbow pursuant to the Second Acquisition Agreement |
| “Convertible Bonds” | collectively, the Convertible Bond I, the Convertible Bond II and the Convertible Bond III |
| “Director(s)” | director(s) of the Company |
| “Dore” | Dore Sociedade Unipessoal Limitada, a company incorporated in Macau |
| “East & West” | East & West International Inc., a company incorporated in the British Virgin Island, which is owned as to 70% by Multi Fit and 30% by Pacific Rainbow as at the date of this announcement |
| “First Acquisition” | the proposed acquisition of the entire issued share capital of East & West |
| “First Acquisition Agreement” | the agreement dated 8 August 2008 entered into among Team Jade, Multi Fit, Mr. Sin, Pacific Rainbow and Mr. Chen in relation to the First Acquisition |
| “First Actual Profit” | the actual Joli Profit 1 received by East & West for the Guarantee Period |
| “First Heads of Agreement” | the heads of agreement dated 24 June 2008 entered into between Team Jade with Multi Fit and Pacific Rainbow in relation to the First Acquisition |
| “First Profit Guarantee” | the profit guarantee of not less than HK\$384,000,000 for Joli Profit 1 for the Guarantee Period given by Mr. Sin under the Joli Profit Agreement 1 |

| | |
|--|---|
| “Heads of Agreements” | collectively, the First Heads of Agreement and the Second Heads of Agreement |
| “Group” | the Company and its subsidiaries |
| “Guarantee Period” | the period from 1 September 2008 to 31 August 2009 (both dates inclusive) in respect of the First Profit Guarantee and the Second Profit Guarantee respectively |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Independent Shareholders” | the Shareholders other than Multi Fit, Mr. Sin, Power Rush, Mr. Chen and their associates |
| “Independent Third Party(ies)” | any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of and not connected with any director, chief executive or substantial shareholders of the Company and its subsidiaries or any of their respective associate |
| “Issue Price” | HK\$0.46 per Consideration Share |
| “Joli” | Joli Entretenimento Sociedade Unipessoal Limitada, a company incorporated in Macau, which is wholly owned by Mr. Sin and is principally engaged in the junket representative business, an Independent Third Party |
| “Joli Junket Representative Agreement” | the junket representative agreement entered into between Wynn Macau, an Independent Third Party and Joli in December 2007 |
| “Joli Profit” | collectively, Joli Profit 1 and Joli Profit 2 |
| “Joli Profit 1” | 0.32% of the Rolling Turnover generated by Joli and/or its customers at the Wynn Macau gaming rooms pursuant to the Joli Junket Representative Agreement and such other VIP gaming rooms (whether in Wynn Macau or not) whereby Joli is a duly appointed junket representative or such other VIP gaming rooms whereby Joli can procure the sale/assignment of a percentage of Rolling Turnover generated by the duly appointed junket representatives |
| “Joli Profit 2” | 0.4% of the Rolling Turnover generated by Joli and/or its customers at the Wynn Macau gaming rooms pursuant to the Joli Junket Representative Agreement and such other VIP gaming rooms (whether in Wynn Macau or not) whereby Joli is a duly appointed junket representative or such other VIP gaming rooms whereby Joli can procure the sale/assignment of a percentage of Rolling Turnover generated by the duly appointed junket representatives |

| | |
|---------------------------|--|
| “Joli Profit Agreement 1” | the agreement dated 24 June 2008 entered into among East & West as a purchaser, Mr. Sin as a vendor and Joli relating to the sale and/or assignment a portion of the Joli Profit, calculated as 0.32% of the Rolling Turnover, to East & West |
| “Joli Profit Agreement 2” | the agreement dated 24 June 2008 entered into among Pacific Force as a purchaser, Mr. Sin as a vendor and Joli relating to the sale and/or assignment a portion of the Joli Profit, calculated as 0.04% of the Rolling Turnover, to Pacific Force |
| “Leading Century” | Leading Century International Limited, a company incorporated in the British Virgin Islands |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Macau” | Macau Special Administrative Region of the PRC |
| “MOP” | Patacas, the lawful currency of Macau |
| “Mr. Chen” | Mr. Chen Yi-Ming, a general manager of the Company |
| “Mr. Sin” | Mr. Sin Chun Shing |
| “Multi Fit” | Multi Fit Investments Limited, a company incorporated in British Virgin Islands with limited liability and is wholly-owned by Mr. Sin |
| “Non-negotiable Chips” | also known as rolling chips or dead chips. These chips cannot be converted into negotiable chips nor can they be redeemed for other goods and services. These chips can only be bet in destined area of the casino. If the customer loses, these chips go to the casino. If the customer wins, he or she is paid the winnings and the amount bet in negotiable chips. The design of these chips are different from the negotiable chips and hence, the dealers and the cashiers of the casino can readily recognise them from negotiable chips |
| “Nove” | Nove Sociedade Unipessoal Limitada, a company incorporated in Macau and wholly-owned by Mr. Chen |
| “Pacific Force” | Pacific Force Inc., a company incorporated in the British Virgin Islands, which is wholly owned by Pacific Rainbow as at the date of this announcement |
| “Pacific Rainbow” | Pacific Rainbow Holdings Limited, a company incorporated in the British Virgin Island, which is wholly owned by Mr. Chen as at the date of the announcement |
| “Power Rush” | Power Rush Holdings Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Chen |

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| “PRC” | the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau and Taiwan |
| “Previous Acquisition” | the acquisition of the entire issued share capital of Leading Century, which was completed on 20 May 2008 and the details of which have been disclosed in the announcement of the Company dated 6 May 2008 |
| “Rolling Turnover” | the value of Non-negotiable Chips purchased by Joli on behalf of its customers less the value of Non-negotiable Chips returned by Joli on behalf of its customers to Wynn Macau and such other VIP gaming rooms whereby Joli is a duly appointed junket representative or such other VIP gaming rooms whereby Joli can procure the sale/assignment of a percentage of Rolling Turnover generated by the duly appointed junket representatives |
| “Sat Ieng” | Sat Ieng Sociedade Unipessoal Limitada, a company incorporated in Macau |
| “Second Acquisition” | the proposed acquisition of the entire issued share capital of Pacific Force |
| “Second Acquisition Agreement” | the agreement dated 8 August 2008 entered into among Team Jade, Pacific Rainbow and Mr. Chen in relation to the Second Acquisition |
| “Second Actual Profit” | the actual Joli Profit 2 received by Pacific Force for the Guarantee Period |
| “Second Heads of Agreement” | the heads of agreement dated 24 June 2008 entered into between Team Jade with Pacific Rainbow in relation to the Second Acquisition |
| “Second Profit Guarantee” | the profit guarantees of not less than HK\$48,000,000 for Joli Profit 2 for the Guarantee Period given by Mr. Sin under the Joli Profit Agreement 2 |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “SGM” | the special general meeting of the Company to be held to consider, and if thought fit, approve the Acquisitions and the transactions contemplated thereunder |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Team Jade” | Team Jade Enterprises Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company |

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| “Wynn Macau” | Wynn Macau, a luxury hotel and destination casino resort located at Rua Cidade de Sintra, NAPE, Macau and operated by Wynn Resorts (Macau) S.A.. Wynn Macau features 600 luxurious guest rooms and suites; approximately 100,000 square foot of gaming area with 200 tables and 380 slots in first phase; and six gourmet restaurants; and a spa and entertainment venues. Wynn Resorts (Macau) S.A. is a subsidiary of Wynn Resorts, Limited, the securities of which are traded on the NASDAQ stock exchange and is a hotel and gaming company |
| “Wynn Macau gaming rooms” | the gaming rooms in Wynn Macau, including the one operated by Joli in which there are 10 gaming tables and including private VIP gaming room facilities |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “US\$” | United States of America dollars |
| “%” | per cent. |

By Order of the Board
Dore Holdings Limited
Lum Chor Wah, Richard
Chairman

Hong Kong, 14 August 2008

As at the date of this announcement, the Board comprises Mr. Lum Chor Wah, Richard, Mr. Pun Yuen Sang and Mr. Tang Hin Keung, Alfred who are executive Directors; Mr. Leung Chi Hung, Mr. Tsui Robert Che Kwong and Mr. Cheung Yim Kong, Johnny who are independent non-executive Directors.