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**Norstar Founders Group Limited
(Provisional Liquidators Appointed)**

北泰創業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2339)

ANNOUNCEMENT

- (1) CONDITIONS FOR RESUMPTION OF TRADING OF THE SHARES;
(2) ISSUANCE OF HK\$15 MILLION SENIOR NOTE; AND
(3) SUBMISSION OF RESUMPTION PROPOSAL**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

On 2 July 2010, the Listing Division of the Stock Exchange issued a letter to the Provisional Liquidators of the Company in which it set out the conditions for the resumption of trading of the shares of the Company and stated that the Company should provide a viable resumption proposal within the next six months (i.e. by 1 January 2011).

On 6 September 2010, the Company, NAIH, the Provisional Liquidators and the Subscriber entered into the Subscription Agreement, pursuant to which (i) NAIH has agreed to issue, and the Subscriber (or its nominee) has agreed to subscribe for, the Senior Note for an aggregate principal amount of HK\$15 million with a maturity term of one year; and (ii) the Company has agreed to issue the Warrants to the Subscriber Shareholders, subject to terms and conditions of a subscription agreement to be entered into between the relevant parties under the Capital Restructuring.

NAIH, the issuer of the Senior Note, shall apply all amounts extended to it under the Senior Note toward the implementation of the debt restructuring as contemplated under the NAIH Scheme.

On 28 September 2010, a resumption proposal was submitted to the Stock Exchange. Further announcement(s) will be made in respect of any progress in this regard as and when required under the Listing Rules.

Shareholders of the Company and potential investors should note that the release of this announcement is not an indication that the resumption proposal will be approved by the Stock Exchange or that trading of the shares of the Company will be resumed. Further announcement(s) will be made as and when appropriate.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

Reference is made to the announcements of the Company dated 21 October 2009, 15 December 2009, 7 January 2010 and 3 March 2010.

CONDITIONS FOR RESUMPTION OF TRADING OF THE SHARES OF THE COMPANY

By way of a letter dated 2 July 2010, the Listing Division of the Stock Exchange informed the Provisional Liquidators that the Company should submit a viable resumption proposal within the next six months (i.e. by 1 January 2011). The following resumption conditions were reiterated in the aforesaid letter:

- 1) Demonstrate that the Company has a sufficient level of operations or has assets of sufficient value as required under Rule 13.24.
- 2) Publish all outstanding financial results and address any concerns that may be raised by auditors through qualification of their audit reports.
- 3) Demonstrate that the Company has an adequate financial reporting system and internal control procedures to enable it to meet its obligations under the Listing Rules.
- 4) Withdrawal or dismissal of the winding-up petitions and discharge of the Provisional Liquidators.

The Listing Division also stated that the Company had been placed in the second stage of delisting under Practice Note 17 to the Listing Rules and that the Company was required to submit a viable resumption proposal to address the above conditions within the next 6 months (i.e. by 1 January 2011), failing which, the Listing Division would determine whether to proceed to place the Company into the third stage of delisting, pursuant to Practice Note 17 to the Listing Rules.

The Listing Division stated in its letter that the resumption proposal should be submitted at least 10 business days before 1 January 2011, to allow the Listing Division sufficient time to review the resumption proposal.

SUBMISSION OF RESUMPTION PROPOSAL

On 28 September 2010, a resumption proposal was submitted to the Stock Exchange. Further announcement(s) will be made in this regard as and when required under the Listing Rules.

ISSUANCE OF HK\$15 MILLION SENIOR NOTE

On 6 September 2010, the Company, NAIH, the Provisional Liquidators and the Subscriber entered into the Subscription Agreement, pursuant to which (i) NAIH has agreed to issue, and the Subscriber (or its nominee) has agreed to subscribe for, the Senior Note for an aggregate principal amount of HK\$15 million with a maturity term of one year; and (ii) the Company has agreed to issue the Warrants to the Subscriber Shareholders, subject to terms and conditions of a subscription agreement to be entered into by the relevant parties under the Capital Restructuring.

NAIH, the issuer of the Senior Note, shall apply all amounts extended to it under the Senior Note toward the implementation of the debt restructuring as contemplated under the NAIH Scheme.

Subscription Agreement

Date : 6 September 2010

Parties : (i) the Company;
(ii) NAIH;
(iii) the Provisional Liquidators; and
(iv) the Subscriber

(A) Issue and subscription of the Senior Note

Subject to the conditions precedent as described below, the Subscriber (or its nominee) shall subscribe for and NAIH shall (against payment in full of the aggregate principal amount of the Senior Note) issue to the Subscriber (or its nominee) the Senior Note, free and clear of all and any Encumbrances, on the Completion Date.

(1) Terms of the Senior Note

The principal terms of the Senior Note are summarized below:

Principal amount:	HK\$15,000,000 (the "Loan") to be made in one lump sum
Issuer:	NAIH
Subscriber:	Omni Success Limited
Interest rate:	HIBOR (3 months) plus 1.05%
Purpose of the Loan:	For payment made to NAIH SPV and implementation of the debt restructuring as contemplated under the NAIH Scheme
Repayment of the principal of the Loan:	All outstanding loan together with all accrued and unpaid interest shall be repaid in one lump sum on the maturity date
Maturity date:	12 months from 8 September 2010, the date of drawdown
Obligation to participate in the Capital Restructuring of the Company	In the event that the Investor, for whatever reason, fails to proceed with the Capital Restructuring on or before the Longstop Date (as defined below), the Subscriber shall replace the Investor as the second investor and complete the Capital Restructuring
Undertakings	NAIH undertakes that any funds to be raised through the Investor and/or any new investor via the Capital Restructuring shall be sufficient for the Company to fulfill all of its repayment obligations under the NFG Scheme and to repay the Senior Note (including interest) A fixed number of Warrants of the Company, equivalent

to approximately 5% of the enlarged share capital of the Company, shall be issued to the Subscriber Shareholders, upon the issuance of the New Securities. Details of the Warrants are set out below.

Event of default: In the event the NAIH Scheme is terminated, the holder of the Senior Note may give notice to NAIH that the Senior Note has then become immediately due and payable

(2) Conditions Precedent

Completion of the subscription for the Senior Note by the Subscriber (or its nominee) shall be conditional upon the satisfaction of the following principal conditions:

- (i) each of the NFG Scheme Document and the NAIH Scheme Document and the implementation of the transactions as respectively contemplated thereunder, including but without limitation to the issue of the Senior Note by NAIH, having been duly sanctioned by the Court of First Instance of the High Court of Hong Kong and become effective pursuant to the terms thereof; and
- (ii) all applicable legal requirements, rules and regulations, including but not limited to the Listing Rules, relating to the issuing and subscription of the Senior Note having been duly complied with by the Company and NAIH.

(3) Completion

Upon the fulfillment of the conditions precedent above, Completion of the subscription for the Senior Note took place on the Completion Date for the Senior Note and each party performed its respective obligations under the Subscription Agreement.

(B) Warrants

In consideration of the subscription for the Senior Note by the Subscriber, the Company undertakes to the Subscriber that it shall issue the Warrants, free and clear of all and any Encumbrances, to the Subscriber Shareholders.

(1) The Subscriber Shareholders

The Warrants shall be issued by the Company to the Subscriber Shareholders, whose names are set out below, to the exclusion of the Subscriber itself. The Warrants shall be allocated to the Subscriber Shareholders by reference to the percentages of the number of the Warrant Shares underlying the Warrants as set opposite their respective names below ("Relevant Percentages"):

Name of Subscriber Shareholders	Relevant Percentage (in respect of the Warrants to be issued to the Subscriber Shareholders)
Novel Triumph Limited	80%
Mr. Liu Zhong Liang	<u>20%</u>
	<u>100%</u>

Novel Triumph Limited is an investment holding company incorporated in the British Virgin Islands. As at the date of this announcement, Mr. Lau Ching Kei ("Mr. Lau") is the sole director and beneficial shareholder of Novel Triumph Limited. To the best of the knowledge, information and belief of the Company, having made all reasonable enquiries, Mr. Lau is an independent third party not connected with the Company or its subsidiaries.

Mr. Liu Zhong Liang is a director of Profound Global Limited, in which the Company has 40% equity interest.

(2) Principal terms of the Warrants

The Warrants shall be issued to the Subscriber Shareholders on a pari passu basis amongst themselves and on and subject to the following principal terms (subject to amendments as may be agreed between the Company and the Subscriber) set out below:

- (i) the aggregate maximum number of the Warrant Shares that may be issued upon exercise of all of the Warrants shall initially be equal to 5% (subject to rounding, in the case of fraction of a Warrant Share, up to the nearest integer) of the total number of the NFG Shares in issue on the Resumption Date "on a fully diluted basis". The phrase "on a fully diluted basis" shall mean assuming full conversion of any convertible New Securities (excluding for the avoidance of double counting the Warrants themselves for this purpose) then issued but not yet converted;
- (ii) the subscription price for each Warrant Share payable to the Company upon exercise of any of the Warrants shall initially be equal to or no less favourable than the issue or conversion price (or in the case of more than one prices, the lowest of them) per NFG Share to be issued as part of the New Securities (other than the Warrants and Warrant Shares), subject to adjustment provided in the Warrant Deed; and
- (iii) the conversion rights of the Warrants shall be exercisable at any time from the Resumption Date up to 5 years thereafter.

(3) Warrant Deed

The formal Warrant Deed containing the full terms, including the exact number and conversion price of the Warrant Shares determined to give effect to the above principal terms, shall be settled and finalised by the relevant parties when the terms of the Resumption Proposal and terms of issue of the New Securities are available and submitted to the Stock Exchange. The Warrant Deed and the certificates for the Warrants shall be executed and delivered by the Company to the Subscriber Shareholders not later than the Resumption Date.

(4) Conditions for the Proposed Issuance of Warrants or Warrant Shares

The Proposed Issuance of Warrants (and issue of Warrant Shares) shall be made part of the transactions comprised in the Resumption Proposal and be subject to the fulfillment of the conditions precedent of such proposal, including the listing of, and permission to deal in, the Warrant Shares having been granted by the Listing Committee of the Stock Exchange and the Resolutions, to the extent that applicable to the issue and allotment of the Warrants and the Warrant Shares, having been duly passed at the EGM in accordance with the Listing Rules and other applicable law and

regulations. If the Resumption Proposal made does not become unconditional and effective, the Company does not have any obligation to issue any Warrants or Warrant Shares.

(C) Undertakings

The major undertakings under the Subscription Agreement are set out below:

- (1) The Subscriber irrevocably undertakes and agrees with the Company and the Provisional Liquidators that if, in the opinion of the Company or the Provisional Liquidators, the Investor fails by the date falling one month after the Stock Exchange has granted its approval to the Resumption Proposal (“Longstop Date”) to proceed with or undertake its intended investment in the Company, the Company shall have rights to call upon the Subscriber, and the Subscriber shall in that case be obliged, to undertake such investment in the Company as the sole investor in substitution of the Investor, and the Subscriber shall have obligation (and not merely right) to undertake such investment in the Company;
- (2) In consideration of the obligation by the Subscriber, the Company and the Provisional Liquidators irrevocably undertake to grant the Subscriber exclusivity (other than the Investor or the shareholders of the Subscriber) to negotiate terms for the Capital Restructuring; and
- (3) The Company undertakes that the proceeds raised by the Company from the Capital Restructuring or otherwise for or in connection with the Resumption Proposal shall be made available to the Company, which shall in turn apply them towards repayment of the indebtedness pursuant to the terms of the NFG Scheme and all the loan outstanding together with any accrued and unpaid interest under the Senior Note.

Shareholders of the Company and potential investors should note that the release of this announcement is not an indication that the resumption proposal will be approved by the Stock Exchange or trading of the shares of the Company will be resumed. Further announcement(s) will be made as and when appropriate.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 10:00 a.m. on 19 January 2009 and shall remain suspended until further notice.

DEFINITIONS

“Capital Restructuring”	the proposed capital restructuring of the Company for or as contemplated under the Resumption Proposal and the subscription agreement, which has not yet been finalised as at the date of the Subscription Agreement
“Company”	Norstar Founders Group Limited (Provisional Liquidators Appointed), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange
“Completion”	completion of the issue of and subscription for the Senior Note
“Completion Date”	8 September 2010, being the date of completion for the issuance

of and subscription for the Senior Note

“EGM”	extraordinary general meeting of NFG Shareholders (or, where applicable, the independent NFG Shareholders) to be convened to consider and, if thought fit, approve the Resolutions
“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and including any agreement for any of the same and encumber and encumbrancer shall be construed accordingly
“Investor”	Success Arrive Limited, a company incorporated in the British Virgin Islands, for details of which please refer to the announcement of the Company dated 21 October 2009
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NAIH”	Norstar Automobile Industrial Holding Limited (Provisional Liquidators Appointed), a company incorporated in Hong Kong with limited liability
“NAIH Scheme”	the scheme of arrangement for NAIH pursuant to Section 166 of the Companies Ordinance as proposed by the Provisional Liquidators, the particulars of which are set out in the NAIH Scheme Document
“NAIH Scheme Document”	the document containing the explanatory statement dated 16 November 2009, the scheme of arrangement for NAIH and their appendices, as required under section 166A of the Companies Ordinance
“NAIH SPV”	Best Activity Limited, a special purpose company incorporated to facilitate the proposed debt restructuring of NAIH under the NAIH Scheme
“New Securities”	any new NFG Shares (and any other rights, options, warrants or convertible shares or securities of any type, which are or may by their terms of issue, be convertible into or exchangeable for or carry rights of subscription for new NFG Shares) issued or proposed to be issued for cash by NFG (or by any of its subsidiaries) as part of or in connection with the Resumption Proposal and the subscription agreement (if they so materialise and incorporated in the Resumption Proposal)
“NFG Scheme”	the scheme of arrangement for NFG pursuant to Section 166 of the Companies Ordinance as proposed by the Provisional Liquidators, the particulars of which are set out in the NFG Scheme Document
“NFG Scheme	the document containing the explanatory statement dated 16

Document”	November 2009, the scheme of arrangement for NFG and their appendices, as required under section 166A of the Companies Ordinance
“NFG Shareholders”	the shareholders of the Company
“NFG Shares”	ordinary shares in the share capital of the Company existing on the date of the Subscription Agreement and all other (if any) stock or shares from time to time and for the time being ranking pari passu therewith and all other (if any) stock or shares in the share capital of the Company resulting from any sub-division, consolidation or re-classification thereof
“Parties”	the Company, NAIH, the Provisional Liquidators and the Subscriber
"Proposed Issuance of Warrants"	the proposed issuance of Warrants by the Company as contemplated under the Subscription Agreement and the Warrant Deed
“Provisional Liquidators”	Messrs. Lai Kar Yan (Derek), Darach E. Haughey and Yeung Lui Ming (Edmund), the joint and several provisional liquidators of the Company and NAIH
“Resolutions”	<p>the resolutions to be proposed to and, if thought fit, passed by NFG Shareholders (or, if required, the independent NFG Shareholders) which are necessary to give effect to the transactions contemplated under the Resumption Proposal, Capital Restructuring and transactions contemplated under the subscription agreement in compliance with the Listing Rules, the Takeovers Code, the articles of association of the Company and applicable law and regulations, including the following matters:</p> <ul style="list-style-type: none"> (i) the issue and allotment of the NFG Shares and other New Securities under the Capital Restructuring and the subscription agreement; (ii) the Whitewash Waiver; (iii) (if necessary) reorganisation of the share capital of the Company and amendments to the articles of association of the Company to enable the Company to issue the New Securities; (iv) such other matters and transactions as may be required to be approved by way of shareholders' approval under the Listing Rules, the Takeovers Code, the articles of association of the Company and applicable law and regulations to give effect to the other transactions contemplated under the Resumption Proposal, Capital Restructuring and the subscription agreement
“Resumption Date”	the first date on which trading in the NFG Shares on the Stock Exchange resumes since the suspension of trading on 19 January 2009
“Resumption Proposal”	a resumption proposal of the Company (which is expected to involve the Capital Restructuring but has yet to be finalised as

	at the date of the Subscription Agreement) submitted to the Stock Exchange for, or with a view to seek, its approval to the resumption of trading of the NFG Shares on the Stock Exchange pursuant to the Listing Rules
“Senior Note”	a loan note issued by NAIH to the Subscriber (or its nominee) for an aggregate principal amount of HK\$15 million
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Omni Success Limited, a company incorporated in the British Virgin Islands
“Subscriber Shareholders”	Novel Triumph Limited and Mr. Liu Zhong Liang, the shareholders of the Subscriber
“Subscription Agreement”	the subscription agreement dated 6 September 2010 entered into between the Company, NAIH, the Provisional Liquidators and the Subscriber in respect of the issue of and subscription for the Senior Note
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Warrants”	the warrants to be issued by the Company to the Subscriber Shareholders pursuant to the subscription agreement and the Warrant Deed
“Warrant Deed”	the deed or instrument to be entered into by the Company as the issuer for the creation and issuance of Warrants
“Warrant Share(s)”	the new share(s) of the Company to be issued and allotted upon exercise of the subscription rights attached to the Warrants
“Whitewash Waiver”	the whitewash waiver pursuant to Note 1 of the Notes on Dispensations from Rule 26 of the Takeovers Code in respect of any obligation of the Subscriber and any parties acting in concert with it to make a general offer for all the issued shares of the Company not already owned or agreed to be acquired by the Subscriber and parties acting in concert with it which might otherwise arise as a result of the Subscriber acquiring the NFG Shares under the Capital Restructuring and the subscription agreement.

For and on behalf of
Norstar Founders Group Limited
(Provisional Liquidators Appointed)
Lai Kar Yan (Derek)
Darach E. Haughey
Yeung Lui Ming (Edmund)
Joint and Several Provisional Liquidators
Acting as agents without personal liability

Hong Kong, 5 October 2010

As at the date of this announcement, the Board comprises Ms. Lilly Huang as executive director, and Mr. Choi Tat Ying, Jacky as independent non-executive director.

*Please also refer to the published version of this announcement on the Company's website:
www.norstar.com.hk.*