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**vongroup**

**VONGROUP LIMITED**

**黃河實業有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 318)**

**COMPLETION OF THE ACQUISITION OF  
20.54% OF THE ISSUED SHARE CAPITAL  
OF TECROAD HOLDCO AND CERTAIN MODIFICATIONS  
REGARDING PAYMENT METHODS AND OTHER MATTERS**

References are made to the announcement of Vongroup Limited (the “Company”) dated 6 July 2009 (the “Acquisition Announcement”) regarding the Acquisition with respect to 20.54% of the issued share capital of Tecroad HoldCo and the announcement of the Company dated 3 August 2009 (the “Extension of Long Stop Date Announcement”).

The Board is pleased to announce that Completion pursuant to the Agreement and the Extension of Long Stop Date Announcement took place after market close on 4 August 2009, and ownership of 20.54% of the issued share capital of Tecroad HoldCo has been transferred or issued, as appropriate, to VFHC.

Upon Completion, VFHC, the Tecroad Shareholder and Tecroad HoldCo entered into the Shareholders’ Agreement dated 4 August 2009, the terms of which, among others, modified certain provisions regarding consideration payment methods and regarding other matters contained in the Agreement and the Acquisition Announcement.

This announcement is made in compliance with requirements under Rules 13.09(1) and 14.36 of the Listing Rules.

**COMPLETION OF THE ACQUISITION WITH RESPECT TO 20.54% OF  
THE ISSUED SHARE CAPITAL OF TECROAD HOLDCO**

References are made to the Acquisition Announcement and the Extension of Long Stop Date Announcement. Unless defined otherwise, terms defined in the Acquisition Announcement have the same meanings when used in this announcement.

## **Completion**

The Board is pleased to announce that Completion pursuant to the Agreement and the Extension of Long Stop Date Announcement took place after market close on 4 August 2009, and ownership of 20.54% of the issued share capital of Tecroad HoldCo has been transferred or issued, as appropriate, to VFHC.

## **Consideration payment methods and certain other matters contained in the Agreement and the Acquisition Announcement**

Upon Completion, VFHC, the Tecroad Shareholder and Tecroad HoldCo entered into the Shareholders' Agreement dated 4 August 2009, the terms of which, among others, modified certain provisions regarding consideration payment methods and regarding other matters contained in the Agreement and the Acquisition Announcement. These modifications are summarised as follows.

In lieu of the consideration payment method for the Sale Shares and the Subscription Shares that was summarised in the Acquisition Announcement, VFHC, the Tecroad Shareholder and Tecroad HoldCo have agreed upon a modified payment scheme that enhances the alignment of the interests of VFHC with those of the Tecroad Shareholder and Tecroad HoldCo, that is, (a) HK\$15 million will be paid in cash to the Tecroad Shareholder 7 days after Completion, (b) the consideration payable to Tecroad HoldCo and the balance of the cash consideration payable to the Tecroad Shareholder will be paid into escrow 14 days after Completion, pending Tecroad Group's receipt of new sales orders, the terms of which meet certain eligibility requirements, for lithium-ion batteries aggregating not less than RMB600 million (approximately HK\$679.7 million) within four months after Completion, and (c) the Consideration Shares will be issued to the Tecroad Shareholder upon receipt of such sales orders within four months after Completion (and upon the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in such Consideration Shares).

If the aggregate amount of sales orders received by the Tecroad Group does not achieve the threshold of RMB600 million (approximately HK\$679.7 million) by the end of such four-month period, (i) VFHC may exercise its discretion to make a pro rata reduction to the consideration payable by VFHC for the Sale Shares and the Subscription Shares; or (ii) in the event that the discretion under (i) above is not exercised by VFHC, VFHC may sell back all (but not part of) the Sale Shares and the Subscription Shares to Tecroad Shareholder and Tecroad HoldCo for the same consideration and each of Tecroad Shareholder and Tecroad HoldCo may re-purchase all (but not part of) the Sale Shares and the Subscription Shares from VFHC for the same consideration. The discretion under (i) above is also exercisable by VFHC before the expiry of such four-month period after consultation with Tecroad Shareholder and Tecroad HoldCo provided however that the discretion under (i) above may not be exercisable by VFHC if the aggregate amount of the sales orders received by the Tecroad Group is less than RMB200 million (approximately HK\$226.6 million).

Upon exercise of the Call Option, the date of payment for the exercise thereof and the date of issuance of shareholding to VFHC in respect thereto will, in lieu of the relevant dates stated in the Acquisition Announcement, take place on a date on or before the end of the option period that will be specified by VFHC.

### **Management Incentive Scheme**

Pursuant to Tecroad HoldCo's management incentive scheme effective prior to Completion, among other conditions, if Tecroad HoldCo's net profit exceeds RMB150 million (approximately HK\$169.9 million) in 2010, management of Tecroad HoldCo (including the Tecroad Shareholder) is entitled to be issued new incentive shareholding in Tecroad HoldCo equal to 10% of the shareholding then held by VFHC.

### **GENERAL**

This announcement is made in compliance with requirements under Rules 13.09(1) and 14.36 of the Listing Rules.

**The exercise of the Call Option is subject to the decision of VFHC whether to exercise its rights with respect thereto, therefore the Call Option may or may not be exercised. The aggregate RMB600 million (approximately HK\$679.7 million) of sales orders referred to above has been arrived at for purposes of better alignment of VFHC's interests with those of the Tecroad Shareholder and Tecroad HoldCo, therefore it may or may not be achieved. The net profit threshold included in Tecroad HoldCo's management incentive scheme was arrived at by Tecroad HoldCo for purposes of its management incentivisation, and therefore may or may not be achieved. VFHC's percentage shareholding in Tecroad HoldCo may be subject to dilution upon the event of the issuance of new incentive shareholding to management pursuant to the management incentive scheme. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.**

Made by the order of the Board, the Directors individually and jointly accept responsibility for the accuracy of this announcement as at the date hereof.

By order of the Board  
**Vongroup Limited**  
**Vong Tat Ieong David**  
*Executive Director*

Hong Kong, 4 August 2009

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Vong Tat Ieong, David, Mr. Wong Chi Man<sup>#</sup> and Mr. Xu Siping; and three independent non-executive Directors, namely Mr. Fung Ka Keung, David, Dr. Lam Lee G.<sup>#</sup> and Ms. Wong Man Ngar, Edna<sup>#</sup>.*

*\* For identification purpose only*

*<sup>#</sup> Could not be reached prior to the issuance of this announcement*