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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)**

**CLARIFICATION ANNOUNCEMENT  
AND FURTHER INFORMATION  
IN RELATION TO THE ACQUISITION OF SHARES IN TIAN DA**

**Clarification in relation to the accounting classification of the Company's investment in Tian Da Energy Holdings Limited ("Tian Da")**

References are made to the Announcement of Annual Results For The Year Ended 30 April 2010 (the "**Annual Results Announcement**") and the Annual Report 2010 (the "**Annual Report**") of Vongroup Limited (the "**Company**").

With respect to note 10 (Available-For-Sale Investments) on page 13 of the Annual Results Announcement and note 21 (Available-For-Sale Investments) of the Notes to the Financial Statements on page 81 of the Annual Report, the Company wishes to clarify that its investment in Tian Da was previously classified and accounted for as an "Interest in associate" in the Company's unaudited interim results for the 6-month period ended 31 October 2009, and was measured at its gross purchase consideration in accordance with Hong Kong Accounting Standards ("**HKAS**") 28 issued by the Hong Kong Institute of Certified Public Accountants. After discussing with its Auditor, and taking into account the level of influence it has over Tian Da, the Company has reclassified and accounted for such investment as an "Available-For-Sale Investment" in its Annual Results Announcement and Annual Report, and was measured at cost in accordance with HKAS 39. As a result of the reclassification, the assets (Interests in associates) and liabilities (Accruals and deposits received) on the balance sheet in its Annual Results Announcement and Annual Report have been adjusted accordingly.

**Further information on the Acquisition of shares in Tian Da**

References are made to the announcements of the Company dated 4 August 2009, 3 December 2009 and 3 March 2010 (the "**Announcements**") and to the payment methods relating to the Completion of VFHC's Acquisition of 20.54% shareholding in Tian Da on 4 August 2009 as described therein. Capitalised terms used herein shall

have the same meanings as those defined in the Announcements unless the context otherwise requires.

VFHC is awaiting the finalisation of sales order documentation by Tecroad Group to the satisfaction of VFHC in order to meet certain requirements under the Shareholders' Agreement. The extended date for the finalisation of such sales order documentation by Tecroad Group has not yet been fixed. A further announcement will be made by the Company as and when appropriate.

## **GENERAL**

**For the avoidance of doubt, as stated in the Announcements, the balance of the consideration payable by VFHC for its acquisition of 20.54% ownership in Tian Da, including but not limited to the issuance of Consideration Shares to Tecroad Shareholder, will be paid or issued, as the case may be, upon, among other conditions, VFHC's satisfaction of Tecroad Group's achievement of the Sales Order Target. Tian Da and Tecroad Shareholder have provided signed documentation to VFHC evidencing significant progress towards receipt of the Sales Order Target, nevertheless the Sales Order Target may or may not be reached. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the Shares.**

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

By order of the Board  
**Vongroup Limited**  
**Tsui Siu Hung, Raymond**  
*Company Secretary*

Hong Kong, 2 September 2010

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

*\* For identification purpose only*