

**Notice of criticism by
the Takeovers Executive of the Securities and Futures Commission**

The Takeovers Executive of the Securities and Futures Commission (the "Executive") criticises Glamour House Limited ("Glamour House") and its sole director Mr Xie Xuan for breaching Rule 3.6 of the Takeovers Code, which requires an offeror to make an announcement immediately after any acquisition of voting rights of an offeree company that may give rise to an obligation to make an offer.

Glamour House is owned as to 90% by Mr Chu Yat Hong and 10% by Mr Xie Xuan. On 4 May 2010, Glamour House and Asian Capital Resources (Holdings) Limited ("ACR") jointly announced, amongst other things, possible unconditional mandatory cash offers by Glamour House for the shares and options in ACR. The possible offers related to an agreement pursuant to which Glamour House had conditionally agreed to acquire 13,750 shares in Asian Dynamics International Limited ("Asian Dynamics") which in turn held 56.76% in ACR. Upon completion of the acquisition which was conditional upon, among others, approval by shareholders of Glamour House at an extraordinary general meeting, Glamour House together with its concert parties would in aggregate hold 67.18% in Asian Dynamics thereby giving rise to an obligation of Glamour House to make the offers under Note 8 to Rule 26.1 of the Takeovers Code. In the announcement, it was disclosed that the tentative completion of the acquisition would take place before 27 May 2010. However, the exact date of completion was not mentioned.

On 25 May 2010, Glamour House and ACR jointly announced amongst other things that the completion of the acquisition took place on 17 May 2010.

Under Rule 3.6 of the Takeovers Code, Glamour House was required to issue an announcement of the completion of the acquisition agreement on 17 May 2010. Failure of Glamour House to make such an announcement constituted a breach of Rule 3.6.

According to Glamour House, the breach was due to the fact that the parties were unaware of their obligations under Rule 3.6 of the Takeovers Code. Glamour House and its sole director admit and apologise for the breach and accept the Executive's criticism.

In arriving at the decision to criticise the parties, the Executive has taken into account the expressed remorse and the co-operation of the parties in the Executive's enquiry.

The Executive would like to remind all those involved in takeover transactions in Hong Kong of the requirements set out in Rule 3.6 of the Takeovers Code. Rule 3.6 ensures prompt disclosure of the offeror's obligation to make an offer immediately after such obligation has arisen. It is particularly relevant where the offer obligation is dependent on fulfilment of pre-conditions. Full compliance with Rule 3.6 will help avoid the risk of the relevant shares being traded in an uninformed market.

If there is any doubt about the application of the Takeovers Code the Executive should be consulted at the earliest opportunity.

20 July 2010