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SHENYIN WANGUO (H.K.) LIMITED

申銀萬國(香港)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code : 218)

ANNOUNCEMENT

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to announce that on 17 October 2011, the Group received the Recovered Amounts of approximately HK\$85.9 million pursuant to a consent order of the Court.

Taking into account the recognition of the receipt of the Recovered Amounts from the Court less the legal costs and related expenses incurred in the litigation by the Applicants, it is expected that the Group would recognise a net gain on the Recovered Amounts of approximately HK\$68.7 million.

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

BACKGROUND

I. Legal proceedings

In April 1998, the Plaintiffs sold the entire issued share capital of NCHK(CM) to Evercheer, a then indirect wholly-owned subsidiary of the Vendor. NCHK(CM) then held an interest in NCHK which in turn held an interest in a joint venture which operates the Chengmian Expressway in Sichuan province, PRC. In January 1999, the Vendor sold the entire issued share capital of Evercheer to Crux Assets, an indirect wholly-owned subsidiary of the Company. In March 1999, the Plaintiffs were put into creditors' voluntary liquidation.

There was a dispute between the then shareholders of NCHK regarding the distribution of certain number of NCHK Shares and dividends placed in escrow in accordance with an escrow agreement entered into between the then shareholders of NCHK. The dispute was eventually settled in 2010 and Evercheer recovered the Stakeheld NCHK Shares and Stakeheld Dividends. However, the Liquidators of the Plaintiffs disputed the Applicants' entitlement to the Stakeheld NCHK Shares and Stakeheld Dividends. The Liquidators of the Plaintiffs commenced the Proceedings as detailed in the Statement of Claim and sought to recover the NCHK Shares and dividends from the Applicants. The Stakeheld NCHK Shares and Stakeheld Dividends were placed into the Court pending the determination of the Proceedings. The Plaintiff's claims against the Applicants were dismissed by the Court. For more details of the Proceedings, please refer to the announcements of the Company made on

30 April 2010, 12 July 2010, 22 July 2010, 24 August 2010, 15 February 2011, 15 March 2011, 30 August 2011 and 30 September 2011 respectively.

II. Sale of the Stakeheld NCHK Shares

In April 2011, the Stakeheld NCHK Shares were sold at a consideration of approximately HK\$43.1 million. The sale proceeds were put into the Court pending the final determination of the Plaintiffs' claims against the Applicants in the Proceedings.

ORDER FOR PAYMENT OUT

On 17 October 2011, the Group received the Recovered Amounts of approximately HK\$85.9 million which include: (i) the sale proceeds of the sale of the Stakeheld NCHK Shares; (ii) dividends paid on the Stakeheld NCHK Shares in January 2011; (iii) the Stakeheld Dividends and accrued interest thereon; and (iv) interests accrued on the aforesaid sums of monies pursuant to a consent order of the Court.

In view of the uncertainty of the outcome of the previous legal proceedings, no entries to the books have been made by the Group regarding the Stakeheld NCHK Shares, Stakeheld Dividends and the subsequent dividends paid on the Stakeheld NCHK Shares. Taking into account the recognition of the receipt of the Recovered Amounts from the Court less the legal costs and related expenses incurred in the litigation by the Applicants, it is expected that the Group would recognise a net gain on the Recovered Amounts of approximately HK\$68.7 million.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following terms shall have the following meanings unless the context otherwise requires:

“Applicants”	the Company, Evercheer, NCHK(CM) and Crux Assets
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Shenyin Wanguo (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Court”	Court of First Instance of Hong Kong
“Crux Assets”	Crux Assets Limited, a limited liability company incorporated in BVI and an indirect wholly-owned subsidiary of the Company

“Directors”	the directors of the Company
“Evercheer”	Evercheer Holdings Limited, a limited liability company incorporated in BVI and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administration Region of PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“NCHK”	The New China Hong Kong Highway Limited, a limited liability company incorporated in BVI
“NCHK Shares”	ordinary shares of US\$0.01 each in the share capital of NCHK
“NCHK(CM)”	The NCHK Highway (Chengdu Mianyang) Limited, a limited liability company incorporated in BVI and an indirect wholly-owned subsidiary of the Company
“Plaintiffs”	The New China Hong Kong Group Limited (In Creditors’ Voluntary Liquidation) and The New China Hong Kong Development Limited (In Creditors’ Voluntary Liquidation)
“PRC”	The People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macao Special Administration Region of the PRC and Taiwan
“Proceedings”	the legal proceedings commenced in the Court by the Liquidators of the Plaintiffs in 2010 against the Applicants and others
“Recovered Amounts”	monies received from the Court pursuant to the consent order dated 10 October 2011
“Stakeheld Dividends”	dividends received on account of the Stakeheld NCHK Shares
“Stakeheld NCHK Shares”	196,436 NCHK Shares, representing approximately 4.13% of the issued share capital of NCHK, being held by stakeholders pursuant to undertakings given to the Court of Final Appeal of Hong Kong
“Statement of Claim”	the statement of claim setting out details of the Plaintiffs’ claims against the Applicants and the others in the Proceedings

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	a party independent of the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

By order of the Board
Shenyin Wanguo (H.K.) Limited
Wong Che Keung Leslie
Company Secretary

Hong Kong, 18 October 2011

As at the date of this announcement, the Board comprises 10 Directors, of which Mr. Chu Xiaoming, Mr. Lu Wenqing, Mr. Lee Man Chun Tony, Mr. Guo Chun and Mr. Ying Niankang are the executive Directors, Mr. Chang Pen Tsao and Mr. Huang Gang are the non-executive Directors, Mr. Ng Wing Hang Patrick, Mr. Kwok Lam Kwong Larry and Mr. Zhuo Fumin are the independent non-executive Directors.