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*(incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 2038)

## **ANNOUNCEMENT ON DEVELOPMENTS IN PROCEEDINGS AGAINST BYD AND ITS SUBSIDIARIES**

Reference is made to the announcements of the Company dated 11 June 2007, 5 November 2007, 10 January 2008, 13 March 2008 and 10 April 2008 and the announcements of BYD dated 12 June 2007, 13 June 2007, 9 October 2007, 2 November 2007, 22 November 2007, 19 December 2007, 11 January 2008, 28 February 2008, 14 March 2008, 7 April 2008 and 11 April 2008.

The Company wishes to announce recent developments relating to the New Proceedings.

Reference is made to the announcements of the Company dated 11 June 2007, 5 November 2007, 10 January 2008, 13 March 2008 and 10 April 2008 (the "**Announcements**") and the announcements of BYD dated 12 June 2007, 13 June 2007, 9 October 2007, 2 November 2007, 22 November 2007, 19 December 2007, 11 January 2008, 28 February 2008, 14 March 2008, 7 April 2008 and 11 April 2008. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings ascribed to such terms in the Announcements.

The Company wishes to announce recent developments relating to the New Proceedings. The New Proceedings were referred to in the Announcements, and involved claims by the Plaintiffs against the Defendants for breach of confidence, inducing breach of contractual and fiduciary duties, conspiracy and breach of constructive trust.

As stated in the Company's announcement of 5 November 2007, BYD and BYD (H.K.) Co., Limited (the "**1st and 2nd Defendants**") made an application by a

summons issued on 2 November 2007 to stay the New Proceedings. This application was heard by the High Court on 11 and 12 June 2008.

On 27 June 2008, the High Court handed down its decision, refusing to stay the New Proceedings. The High Court rejected the 1st and 2nd Defendants' argument that the Intermediate People's Court in Shenzhen, PRC is the more appropriate forum for the resolution of the dispute between the parties. The Company will continue to pursue the New Proceedings expeditiously.

By Order of the Board  
**Chin Wai Leung, Samuel**  
*Chairman and Chief Executive Officer*

Hong Kong, 30 June 2008

*As at the date of this announcement, the executive directors of the Company are Messrs. Chin Wai Leung, Samuel and Dai Feng Shuh, the non-executive directors of the Company are Messrs. Chang Ban Ja, Jimmy, Lee Jin Ming and Lu Fang Ming and Miss Gou Hsiao Ling and the independent non-executive directors of the Company are Messrs. Lau Siu Ki and Mao Yu Lang and Dr. Daniel Joseph Mehan.*

*\* for identification purposes only*