



中國天地行物流控股集團有限公司

APEX CAPITAL LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 905)

JOINT ANNOUNCEMENT

SALE AND PURCHASE AGREEMENTS RELATING TO THE SALE AND
PURCHASE OF SHARES IN APEX CAPITAL LIMITED

POSSIBLE UNCONDITIONAL MANDATORY GENERAL CASH OFFER BY
YU MING INVESTMENT MANAGEMENT LIMITED

ON BEHALF OF THE OFFEROR
FOR ALL THE ISSUED SHARES OF APEX CAPITAL LIMITED OF
HK\$0.025 PER SHARE AT HK\$0.0695 PER SHARE (OTHER THAN THOSE
SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE
OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)

Financial Adviser to the Offeror



Yu Ming Investment Management Limited

Joint Financial Advisers to Apex Capital Limited



Kingsway Group

Kingsway Capital Limited

AmCap

Ample Capital Limited

豐盛融資有限公司

The board of directors of Apex is pleased to announce that on 24th October, 2006, the Sale and Purchase Agreements were entered into between the Offeror and certain substantial shareholders of Apex for the sale and purchase of a total of 132,933,200 Shares, representing approximately 55.39% of the total issued share capital of Apex.

The First Sale and Purchase Agreement was entered into between the Offeror and Vendor A, pursuant to which, Vendor A agreed to sell and the Offeror agreed to acquire, subject to conditions, all the issued Shares held by Vendor A at HK\$0.0695 each, representing 117,483,200 Shares and 48.95% of total issued share capital of Apex. The total consideration for the First Sale and Purchase Agreement is HK\$8,165,082.40.

The Second Sale and Purchase Agreement was entered into between the Offeror and Vendor B, pursuant to which, Vendor B agreed to sell and the Offeror agreed to acquire, subject to conditions, all the issued Shares held by Vendor B at HK\$0.0695 each, representing 15,450,000 Shares and 6.44% of total issued share capital of Apex. The total consideration for the Second Sale and Purchase Agreement is HK\$1,073,775.00.

Upon Completion, the Offeror and parties acting in concert with it would own approximately 55.39% of the total issued share capital of Apex. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror would be required, upon Completion, to make an unconditional mandatory general cash offer for all the Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

Trading in the Shares was suspended at the request of Apex from 9:30 am on 25th October, 2006. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 am on 31st October, 2006.

Shareholders should note that the making of the Offer is a possibility only and is subject to the Completion. Shareholders should exercise caution when dealing in the Shares.

THE FIRST SALE AND PURCHASE AGREEMENT

Date

24th October, 2006

Parties

Vendor A: Mr. Zhou Chao, an executive director of Apex and the beneficial owner of 53,417,600 Shares, representing 22.26% of the total issued share capital or total voting rights of Apex as at the date of this announcement.

Xiyang, a limited company incorporated in Hong Kong and the beneficial owner of 64,065,600 Shares, representing 26.69% of total issued share capital or total voting rights of Apex as at the date of this announcement. Xiyang is beneficially owned as to 90% by Mr. Zhou Chao and 10% by Ms. Huang Song, both of whom are the executive director of Apex.

Offeror: 中國天地行物流控股集團有限公司 (for identification purposes, in English, China TianDiXing Logistics Holdings Limited), a limited company incorporated in Hong Kong. Information on the Offeror as at the date of this announcement is set out in the section headed "Information on the Offeror".

The Transaction

Pursuant to the First Sale and Purchase Agreement, Vendor A agreed to sell and the Offeror agreed to acquire, subject to conditions, all the 117,483,200 Shares held by Vendor A at HK\$0.0695 each, representing approximately 48.95% of total issued share capital or total voting rights of Apex. The total consideration is HK\$8,165,082.40, which was negotiated and determined on an arm's length basis between Vendor A and the Offeror.

Conditions

The First Sale and Purchase Agreement is conditional on the completion of the following conditions:

1. The current listing of the Shares on the Stock Exchange is not withdrawn prior to 10th November, 2006, being the expected date of Completion.
2. The simultaneous completion of the Second Sale and Purchase Agreement entered into between the Offeror and Vendor B. Details of the Second Sale and Purchase Agreement are set out in the section headed "THE SECOND SALE AND PURCHASE AGREEMENT".

The Offeror has no intention to exercise the rights to waive all or any of the above conditions. Otherwise, it will publish an announcement as and when appropriate.

Completion

It is expected that the completion of the First Sale and Purchase Agreement will take place on 10th November, 2006 or such later date as Vendor A and the Offeror may agree in writing.

THE SECOND SALE AND PURCHASE AGREEMENT

Date

24th October, 2006

Parties

Vendor B: Mr. Fong Chi Hou, a non-executive director of Apex and a beneficial owner of 15,450,000 Shares, representing 6.44% of total issued share capital or total voting rights of Apex as at the date of this announcement.

Offeror: 中國天地行物流控股集團有限公司 (for identification purposes, in English, China TianDiXing Logistics Holdings Limited), a limited company incorporated in Hong Kong. Information on the Offeror as at the date of this announcement is set out in the section headed "Information on the Offeror".

The Transaction

Pursuant to the Second Sale and Purchase Agreement, Vendor B agreed to sell and the Offeror agreed to acquire, subject to conditions, all the 15,450,000 Shares held by Vendor B at HK\$0.0695 each, representing approximately 6.44% of total issued share capital or total voting rights of Apex. The total consideration for the Second Sale and Purchase Agreement is HK\$1,073,775.00, which was negotiated and determined on an arm's length basis between Vendor B and the Offeror.

Conditions

1. The current listing of the Shares on the Stock Exchange is not withdrawn prior to 10th November, 2006, being the expected date of Completion.
2. The simultaneous completion of the First Sale and Purchase Agreement. Details of the First Sale and Purchase Agreement are set out in the section headed "THE FIRST SALE AND PURCHASE AGREEMENT".

The Offeror has no intention to exercise the rights to waive all or any of the above conditions. Otherwise, it will publish an announcement as and when appropriate.

Completion

It is expected that the completion of the Second Sale and Purchase Agreement will take place on 10th November, 2006 or such later date as the Vendor B and the Offeror may agree in writing.

If the Completion does not take place on 10th November, 2006 or such later date as the Vendors and the Offeror may agree in writing, the Sale and Purchase Agreements would lapse, and in such event, the Offeror would not be obliged to make the Offer.

POSSIBLE UNCONDITIONAL MANDATORY CASH GENERAL OFFER

Upon Completion, the Offeror and the parties acting in concert with it would own an aggregate of 132,933,200 Shares, representing approximately 55.39% of the total issued share capital or total voting rights of Apex. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror would be required to make an unconditional mandatory general cash offer for all the Shares not already owned or agreed to be acquired by the Offeror and the parties acting in concert with it.

Terms of the Offer

Yu Ming, for and on behalf of the Offeror, would upon Completion make the Offer to acquire all the Shares not already owned or agreed to be acquired by the Offeror and the parties acting in concert with it on the following basis:

For each Share HK\$0.0695 in cash

The Offer Price is equal to the price paid by the Offeror to the Vendors for each Sale Share under the Sale and Purchase Agreements.

The Offer Price represents:

- i. a discount of approximately 6.08% over the closing price of HK\$0.074 per Share as quoted on the Stock Exchange on 24th October, 2006, being the last trading day prior to the suspension of trading in the Shares;
- ii. a premium of approximately 11.38% over the average closing price of HK\$0.0624 per Share for the 10 trading days up to and including 24th October, 2006; and
- iii. a premium of approximately 75.75% to the unaudited consolidated net asset value per Share of approximately HK\$0.04 as at 30th June, 2006 published in the 2006 interim report of Apex.

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the period commencing 6 months preceding the last trading day prior to this announcement were HK\$0.083 per Share on 28th April, 2006 and HK\$0.046 per Share on 18th July, 2006 respectively.

No extension of offer period and no increase in offer price

The Offer would be open for acceptance for at least 21 days from the date of the despatch of the composite offer document. The Offeror does not have any intention to extend the closing date of the Offer to be set out in the composite offer document, which is expected to be despatched to the Shareholders within 21 days from the date of this announcement.

The Offer Price will not be further increased and is final.

Consideration

As at the date of this announcement, there were 240,000,000 Shares in issue. At the Offer Price of HK\$0.0695 per Share and in the event that the Offer is accepted in full, the aggregate amount payable by the Offeror would be approximately HK\$16,680,000.

Yu Ming is satisfied that financial resources freely available to Mr. Mung Kin Keung, the 99.99% beneficial owner of the Offeror, are sufficient to acquire the Sale Shares and to implement the Offer in full. An unconditional and irrevocable undertaking from Mr. Mung Kin Keung to finance the Offeror to acquire the Sale Shares and to implement the Offer in full has also been provided to Yu Ming to its satisfaction.

Effect of accepting the Offer

By accepting the Offer, Shareholders will sell their Shares and all rights attaching to them as at the date of this announcement, including the right to receive all dividends and other distributions, if any, declared, made or paid by Apex on or after the date of this announcement.

Payment

Payment in cash in respect of the acceptance of the Offer will be made within 10 days from the receipt of duly completed acceptance.

Stamp Duty

Seller's ad valorem stamp duty for the Shares registered with Hong Kong branch share register arising in connection with acceptance of the Offer will be payable by each Shareholder at the rate of HK\$1 for every HK\$1,000 or part thereof of the consideration payable by the Offeror for such Shareholders' Shares and will be deducted from the cash amount due to such Shareholder under the Offer and paid by the Offeror.

Acceptance Commitment

No irrevocable commitment to accept or reject the Offer has been received by the Offeror and / or parties acting in concert with it.

INFORMATION OF THE OFFEROR

The Offeror is a company incorporated in Hong Kong on 29th September 2003 as an investment holding company. Apart from possible investment in the Shares upon Completion, the Offeror has not been engaged in any other business since its incorporation.

Neither the Offeror nor parties acting in concert with it has dealt in any securities of Apex for the 6-month period immediately preceding 24th October 2006, being the date of the Sale and Purchase Agreements and up to the date of this announcement.

Prior to Completion, neither the Offeror nor any party acting in concert with it owns or has any control or direction over the voting rights or rights over the Shares.

Upon Completion, the Offeror and parties acting in concert with it would beneficially own Apex as to 132,933,200 Shares, representing 55.39% of the total issued share capital of Apex.

The identity of the ultimate controlling shareholders of the Offeror is as follows:

	Number of shares with voting rights	% of total issued shares or voting rights
Mr. Mung Kin Keung	9,999	99.99%
Madam Sin Lai Ni	1	0.01%
Total	<u>10,000</u>	<u>100.00%</u>

Note: Madam Sin Lai Ni is the wife of Mr. Mung Kin Keung, both of whom are the only directors of the Offeror.

Mr. Mung Kin Keung, aged 46 and a permanent resident of Hong Kong, obtained Master of Business Administration from Asia International Open University (Macau) in 2002. He is the controlling shareholder holding 55% of the total issued share capital of Hong Kong Airlines Limited, a private limited company (previously known as CR Airways Limited prior to 22nd September, 2006) incorporated in Hong Kong on 28th March, 2001. The Hong Kong based airline is designated to operate scheduled flights to the People's Republic of China, including Tianjin, Changsha, Guilin, Nanning, Kunming, Haikou and Sanya. At present, Hong Kong Airlines Limited operates 3 Boeing 737-800s. Mr. Mung Kin Keung became the controlling shareholder of Hong Kong Airlines Limited on 7th August, 2006 and its director on 13th August, 2006. Mr. Mung does not participate in the daily operation, but makes key decisions relating to the direction and strategy of the business of Hong Kong Airlines Limited.

Further information on Mr. Mung Kin Keung would be provided in the composite offer document, which will be despatched to the Shareholders as soon as practicable and in compliance with requirements of the Takeovers Code.

SHAREHOLDINGS IN APEX BEFORE AND AFTER THE COMPLETION

The table below sets out the shareholding structure of Apex as at the date of this announcement and immediately after the Completion:

Shareholders	As at the date of this announcement		Immediately after the Completion	
	Number of Shares with voting rights	% of total issued Shares or voting rights	Number of Shares with voting rights	% of total issued Shares or voting rights
Offeror	0	0.00%	132,933,200	55.39%
Parties acting in concert with the Offeror	0	0.00%	0	0.00%
Mr. Zhou Chao	53,417,600	22.26%	0	0.00%
Xiyang *	64,065,600	26.69%	0	0.00%
Mr. Fong Chi Hou	15,450,000	6.44%	0	0.00%
Public	107,066,800	44.61%	107,066,800	44.61%
Total	<u>240,000,000</u>	<u>100.00%</u>	<u>240,000,000</u>	<u>100.00%</u>

* Xiyang is beneficially owned as to 90% by Mr. Zhou Chao and 10% by Ms. Huang Song, both of whom are the executive directors of Apex.

As at the date of this announcement, (1) there are 240,000,000 Shares in issue that are fully paid up and rank equally in all aspects with each other, including dividends, voting rights and capital, and (2) neither Apex nor the Offeror has any outstanding convertible securities, warrants, options and any other derivative in respect of securities in Apex and the Offeror respectively, and (3) there are no outstanding derivative in respect of securities of Apex entered into by the Offeror or parties acting in concert with it.

INFORMATION ON APEX

Listed on the Stock Exchange under Chapter 21 of the Listing Rules as an investment company, Apex is principally engaged in acquisition of and disposal of investment in listed and unlisted securities. Hua Yu is the investment manager of Apex.

INTENTION OF THE OFFEROR

It is the intention of the Offeror that the existing principal activities of Apex in investments will remain unchanged. The Offeror has no objection to Apex continuing to carry out its investment activities during the offer period. The Offeror intends to continue to engage Hua Yu as the investment manager of Apex.

The Offeror reserves the right to appoint new directors in Apex after the composite offer document is posted. As at the date of this announcement, the Offeror has not identified any director for nomination.

LISTING OF THE SHARES

The Offeror intends that Apex remains listed on the Stock Exchange. The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to Apex, being 25% of the total Shares, are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Shares; or that there are insufficient Shares in public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

The directors of the Offeror have jointly and severally undertake to the Stock Exchange on 25th October, 2006 to take appropriate steps to ensure that sufficient public float exists in the Shares.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE

On 25th October, 2006, an independent board committee comprising all non-executive directors, other than Mr. Fong Chi Hou, Vendor B, of Apex was established to advise the Shareholders in respect of the Offer.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

On 25th October, 2006, the independent board committee of Apex, approved the appointment of Oriental Patron Asia Limited as the independent financial adviser to advise the independent board committee of Apex and the Shareholders in respect of the Offer.

GENERAL

It is expected that the offer document and the response document of Apex will be combined as a composite offer document, which will contain, inter alia, the terms and conditions of the Offer and the acceptance and transfer form, information regarding the Offeror and Apex, the advice of the independent financial adviser and the recommendation from the independent board committee of Apex. The composite offer document will be jointly despatched by the Offeror and Apex to the Shareholders as soon as practicable and in compliance with requirements of the Takeovers Code.

Trading in the Shares was suspended at the request of Apex from 9:30 am on 25th October, 2006. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 am on 31st October, 2006.

Shareholders should note that the making of the Offer is a possibility only and subject to the Completion. Shareholders should therefore exercise caution when dealing in the Shares.

DISCLOSURE OBLIGATIONS

The Offeror and Apex wish to remind their respective associates (as defined in the Takeovers Code) to disclose their dealings in any securities of Apex during the offer period, which commenced on the date of this announcement.

Stockbrokers, banks and others who deal in the securities of Apex on behalf of their clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in the relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

DEFINITION

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

“acting in concert”	shall have the meaning set out in the Takeovers Code
“Apex”	Apex Capital Limited (previously known as Haywood Investments Limited prior to 23rd June, 2006), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange with a designated stock code of 905
“Completion”	completion of the Sale and Purchase Agreements
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission
“First Sale and Purchase Agreement”	the agreement for the sale and purchase of the 117,483,200 Shares dated 24th October, 2006 entered into between the Offeror and Vendor A
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Hua Yu”	Hua Yu Investment Management Limited, a licensed corporation permitted to engage in types 4, 6, 9 regulated activities under the Securities and Futures Ordinance and a 91% owned subsidiary of Yu Ming
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the unconditional mandatory general cash offer for all the Shares other than those owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	means “中國天地物流控股集團有限公司” (for identification purposes, in English, China TianDiXing Logistics Holdings Limited), a company incorporated in Hong Kong with limited liability
“Offer Price”	The price for each Share of HK\$0.0695 under the Offer
“Sale and Purchase Agreements”	the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement
“Sale Share”	the 132,933,200 Shares representing approximately 55.39% of the total issued share capital of Apex to be acquired by the Offeror pursuant to the Sale and Purchase Agreements
“Second Sale and Purchase Agreements”	the agreement for the sale and purchase of the 15,450,000 Shares dated 24th October, 2006 entered into between the Offeror and Vendor B
“Shares”	existing ordinary share(s) of HK\$0.025 each in the issued share capital of Apex
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“Vendor A”	Mr. Zhou Chao and Xiyang
“Vendor B”	Mr. Fong Chi Hou
“Vendors”	Vendor A and Vendor B
“Xiyang”	Xiyang International Limited
“Yu Ming”	Yu Ming Investment Management Limited, a licensed corporation permitted to engage in types 1, 4, 6, 9 regulated activities under the Securities and Futures Ordinance
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

As at the date of this announcement, the board of directors of the Offeror comprises Mr. Mung Kin Keung and his wife Madam Sin Lai Ni.

As at the date of this announcement, the board of directors of Apex comprises Mr. Zhou Chao, Mr. Phang Yul Cher Yeow, Ms. Huang Song and Mr. Chu Kin Wang Peleus as executive directors; Mr. Fong Chi Hou and Mr. Wang Yao Dong as non-executive directors; and Mr. Liu Wing Ting Stephen, Ms. Lam Lin Chu and Ms. Tse Po Chu as independent non-executive directors.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to Apex) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to Apex) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement (other than those relating to Apex) misleading.

The directors of Apex jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement (other than those relating to the Offeror) misleading.

By order of the board of
中國天地物流控股集團有限公司
Mung Kin Keung
Chairman

By order of the board of
APEX CAPITAL LIMITED
Phang Yul Cher Yeow
Executive Director

Hong Kong, 31st October, 2006