ARGOS ENTERPRISE (HOLDINGS) LIMITED

雅高企業（集團）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 8022)

VERY SUBSTANTIAL ACQUISITION AND RESUMPTION OF TRADING

THE ACQUISITION

The Board is pleased to announce that on 23 September 2008 (after trading hours), the Purchaser entered into the Master Agreement with the Vendor pursuant to which the Vendor has conditionally agreed to dispose of and the Purchaser has conditionally agreed to acquire the Sale Shares and the Sale Loan at a total consideration of not more than HK$695 million.

The Consideration of not more than HK$695 million will be settled by the Company in the following manner: (i) as to HK$5 million by cash; (ii) as to HK$26.40 million by the issue of 44,000,000 Consideration Shares at the Issue Price of HK$0.60 per Consideration Share upon Completion; (iii) as to HK$409.20 million at maximum by the issue of the Convertible Bonds in the principal amount of HK$409.20 million with the Conversion Price of HK$0.66 per Conversion Share; and (iv) as to HK$254.40 million at maximum by the issue of the Promissory Notes in two tranches. Both the Consideration Shares and the Conversion Shares shall be alloted and issued under the Specific Mandate.

Since the relevant percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Acquisition is more than 100%, the Acquisition constitutes a very substantial acquisition for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

An EGM will be held to consider and, if thought fit, approve the ordinary resolutions in respect of the Master Agreement and the transactions contemplated thereunder. As no Shareholder has any material interest in the Master Agreement, no Shareholder is required to abstain from voting at the EGM in respect of the Master Agreement and the transactions contemplated thereunder, and the Specific Mandate.

A circular containing, among other things, (i) further details of the Acquisition, the Consideration Shares, the Convertible Bonds and the Promissory Notes; and (ii) a notice of EGM, will be despatched to the Shareholders as soon as practicable.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 24 September 2008 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 16 October 2008.

INTRODUCTION

On 30 July 2008, Mega Field, a wholly-owned subsidiary of the Company, entered into the Memorandum of Understanding with the Vendor pursuant to which the Vendor agreed to dispose of and Mega Field agreed to acquire certain percentage (being not less than 51%) equity interest in the Target Company. In addition, the Company had also paid HK$1 million by cash to the Vendor as refundable earnest money pursuant to the Memorandum of Understanding.

Subsequently, on 23 September 2008 (after trading hours), the Purchaser entered into the Master Agreement with the Vendor pursuant to which the Vendor has conditionally agreed to dispose of and the Purchaser has conditionally agreed to acquire the Sale Shares and the Sale Loan at a total consideration of not more than HK$695 million.

Set out below are the details of the Master Agreement:

THE MASTER AGREEMENT

Date:

23 September 2008 (after trading hours)

Parties involved:

Purchaser

Mega Field, being a wholly-owned subsidiary of the Company, is an investment holding company incorporated in Hong Kong on 22 November 2006 with limited liability.

Vendor

Mr. Zhang Weiting

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor and his associates are (i) Independent Third Parties; and (ii) not a party acting in concert with any substantial shareholders of the Company as defined under the Takeovers Code. In addition, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor and his associates do not hold any Shares or other convertible securities in the Company as at the date of this announcement.

The Vendor was introduced to the Company through one of the Directors, Mr. Cheung Man Yau, Timothy ("**Mr. Cheung**") in early July 2008. Mr. Cheung was the owner of a certified public accountant firm which provided auditing and taxation services to one of the Vendor's privately–owned company in Hong Kong from 1990 to 2006. Save as and except for the prior business relationship between Mr. Cheung and the Vendor as disclosed above, Mr. Cheung confirmed that he has no other relationship with the Vendor.

Guarantor

The Company

Assets to be acquired:

Pursuant to the Master Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed dispose of the Sale Shares and the Sale Loan at the Consideration.

The Target Company is an investment holding company incorporated in the British Virgin Islands on 29 January 2008 with limited liability. The Target Company is owned as to 99% by the Vendor and 1% by Mr. Wu Hong. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Wu Hong and his associates are (i) Independent Third Parties; and (ii) not a party acting in concert with any substantial shareholders of the Company as defined under the Takeovers Code. In addition, the Directors also confirmed that no prior transaction among the Group, Mr. Wu Hong, the Vendor and/or their respective associates would require aggregation under Rule 19.22 of the GEM Listing Rules.

The HK Company is a company incorporated in Hong Kong with limited liability on 10 April 2007 and is a wholly-owned subsidiary of the Target Company. As at the date of this announcement, the HK Company is interested in 80% equity interest in the JV Company, which is a sino-foreign equity joint venture incorporated on 30 July 2007 with limited liability. The JV Company is principally engaged in research and development in network communication software, provision of communication technology services, as well as provision of installation and consulting services for network communication engineering in the PRC.

Upon Completion, the Group will become a 65% shareholder of the Target Company and therefore be effectively interested in 52% of the equity interest in the JV Company, and the financial results of the Target Group will be consolidated into the financial statements of the Group.

Save as and except for the entire equity interest in the HK Company and 80% equity interest in the JV Company, the Target Company has no other material assets and properties as at the date of this announcement.

The Consideration:

The Consideration of not more than HK$695 million will be settled by the Company in the following manner:

(i) as to HK$5 million by cash, out of which HK$1 million had been paid to the Vendor on 1 August 2008 as refundable earnest money pursuant to the Memorandum of Understanding and will be transformed as refundable deposit for the Acquisition, and the remaining balance of the cash Consideration of HK$4 million shall be settled by the Company within 60 days after the date of the Master Agreement;

(ii) as to HK$26.40 million by the issue of 44,000,000 Consideration Shares at the Issue Price of HK$0.60 per Consideration Share upon Completion;

(iii) as to HK$409.20 million at maximum by the issue of the Convertible Bonds in the principal amount of HK$409.20 million with the Conversion Price of HK$0.66 per Conversion Share. Adjustments may be made to the principal amount of the Convertible Bonds and details are set out in the paragraph headed "Adjustments to the Consideration" of this announcement; and

(iv) as to HK$254.40 million at maximum by the issue of the Promissory Notes in two tranches: (a) Promissory Note I in the principal amount of HK$154.40 million shall be issued upon Completion; and (b) Promissory Note II in the principal amount of HK$100.00 million at maximum shall be issued upon Completion but retained by the Purchaser and shall be released by the Purchaser to the Vendor within ten days after the issue of the audited consolidated financial statements of the JV Company for the year ending 31 December 2009 without any adjustment to the principal amount of Promissory Note II in the event that the Profit Guarantee is attained. The actual amount of Promissory Note II to be released to the Vendor will be based on the audited profits after enterprise income tax but before minority interests of the JV Company for the year ending 31 December 2009. Details of the Profit Guarantee and mechanism for the issue of Promissory Note II are set out in the paragraph headed "Profit Guarantee" of this announcement.

Basis of the Consideration:

The Consideration was determined between the Vendor and the Purchaser after arm's length negotiations taking into account the following:

(i) the Acquisition will provide an opportunity for the Group to gain access to the promising mobile value-added services business and sports lottery market in the PRC and broaden the income base of the Group, thereby enhancing the Group's future financial performance and profitability;

(ii) the preliminary valuation on the JV Company (assuming that the JV Company will obtain all the Mobile Lottery Recharging Services Agreements for the Liaoning Business and the Shaanxi Business) of approximately RMB1,318.64 million (equivalent to approximately HK$1,503.25 million) as at 31 August 2008 by an independent valuer, Asset Appraisal (the "**Valuation Report**"). In this respect, 52% of the equity interest in the JV Company (assuming that the JV Company will obtain all the Mobile Lottery Recharging Services Agreements for the Liaoning Business and the Shaanxi Business) is equivalent to approximately RMB685.69 million (equivalent to approximately HK$781.69 million); and

(iii) the value of the Sale Loan.

Asset Appraisal has applied the market approach for the valuation of the JV Company in the Valuation Report. Under the market approach, a list of comparable companies were selected for valuation purpose. Assets Appraisal considered those comparable companies to be representative and applied their enterprises value to revenue multiple to estimate the preliminary value of the JV Company. The Valuation Report, including details of the assumptions, basis and methodology of the valuation of the JV Company, shall be included in the circular of the Company in relation to the Acquisition to be despatched to the Shareholders. The Directors and Asset Appraisal confirmed that the valuation of the JV Company does not constitute a profit forecast under Rules 19.61 and 19.62 of the GEM Listing Rules. In addition, the valuation of the JV Company was estimated without taking into account the net assets of the JV Company as at 31 August 2008 since the JV Company was not subject to any loans and liabilities as at 31 August 2008.

The Directors confirmed that the arm's length negotiations between the Vendor and the Purchaser on the Consideration have already taken into consideration the amount of the Sale Loan.

The Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Conditions precedent:

Completion of the Acquisition is subject to the satisfactory fulfillment and/or waiver by the Purchaser of the following conditions:

1. the obtaining of the approval of the Shareholders at the extraordinary general meeting of the Company to approve the resolution(s) in relation to the Master Agreement, the purchase of the Sale Shares and the Sale Loan and the transactions contemplated thereunder;

2. the GEM Listing Committee of the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Consideration Shares and the Conversion Shares, whether subject to conditions or not;

3. the Purchaser being reasonably satisfied with the results of the due diligence review of the Target Group;

4. the obtaining of a PRC legal opinion (in form and substance satisfactory to the Purchaser) from a PRC legal adviser appointed by the Purchaser covering matters (including but not limited to the asset, liabilities and the business operation of the Target Group) in relation to the Acquisition;

5. the obtaining of an audited report of the Target Company on its financial statements (including the consolidated statements) for the year ended 31 December 2007 and the seven months ended 31 July 2008 (to the satisfactory acceptance of the Purchaser);

6. the obtaining of a valuation report (in form and substance satisfactory to the Purchaser) from an independent valuer;

7. the Target Group entered into the Service Agreements with Mr. Wu Hong and the Vendor (in the form and substance satisfactory to the Purchaser);

8. the Vendor is not in breach of its warranties in the Master Agreement;

9. the loan (including interests, if any) owed by TLT (Shanghai) to the JV Company being repaid in full prior to the Completion *(Note)*; and

10. the Vendor and the Target Group are not in material breach of the terms and conditions of the Master Agreement.

Note:

As at the date of the Master Agreement, the balance of such loan was amounted to RMB0.57 million (equivalent to approximately HK$0.65 million) and the loan is unsecured, interest free with no fixed term of repayment. To the best of the Directors' knowledge, such loan was utilized as general working capital for TLT (Shanghai).

The Purchaser has the rights to waive in writing the conditions as mentioned above (save as and except for conditions (1) and (2)). If the aforementioned conditions precedent have not been fulfilled (or, where applicable, waived by the Purchaser in writing) on or before 31 March 2009 (or such other dates agreed by parties to the Master Agreement in writing), none of the parties shall have any claims against the other parties (other than any antecedent breaches) under the Master Agreement. Nevertheless, the Vendor shall refund all the cash being paid by the Company with an annual interest rate of 5%.

Warranties:

Under the Master Agreement, the Vendor has given certain warranties and representations in relation to the Vendor, the Sale Shares, the Sale Loan and the affairs of the Target Group. The principal warranties cover the following matters: power and legal status of the Vendor, title and ownership of the Sale Shares and the Sale Loan, legal status of the members of the Target Group, the Target Group's business, accounts, financial affairs, insurance, taxation, contingent liabilities, employees, litigation, intellectual property rights and other matters.

Completion:

Completion shall take place at 2:00 p.m. on the fifth day (or such other dates agreed by parties to the Master Agreement in writing) after the fulfillment and/or waiver of all the conditions precedent set out in the paragraph headed "Conditions precedent" of this announcement.

The Company has no present intention to change the composition of the Board upon Completion. The Directors confirmed that the Company does not intend to appoint the Vendor, Mr. Wu Hong and/or their respective associates as Directors as a result of the Acquisition.

Given that the terms of the Master Agreement were negotiated on an arm's length basis and the Consideration of approximately HK$695 million represents a discount of approximately 11.09% to the equity interest of 52% in the JV Company (equivalent to approximately HK$781.69 million) based on the Valuation Report, the Board considers that the terms of the Master Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Consideration Shares:

HK$26.40 million of the Consideration is to be satisfied by the issue of 44,000,000 Consideration Shares at the Issue Price of HK$0.60 per Consideration Share by the Company to the Vendor (or its nominees).

The Issue Price was arrived at after arm's length negotiations between the Company and the Vendor, after taking into account of the market condition and the prevailing market price of the Shares. The Issue Price represents:

(i) a premium of approximately 20% over the closing price of HK$0.50 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a premium of approximately 21.46% over the average of the closing price of HK$0.494 per Share for the last five consecutive trading days up to and including the Last Trading Day;

(iii) a premium of approximately 13.21% over the average of the closing price of HK$0.53 per Share for the last ten consecutive trading days up to and including the Last Trading Day; and

(iv) a premium of approximately 50.17% over the unaudited consolidated net asset value of the Company per Share of approximately HK$0.40 as at 30 June 2008 (based on the unaudited consolidated net asset value of the Company of approximately HK$77,910,000 as at 30 June 2008 and 195,000,000 issued Shares as at the date of the Master Agreement).

The Consideration Shares represent (i) approximately 22.56% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 18.41% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares; and (iii) approximately 5.12% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the maximum number of Conversion Shares upon full conversion of all Convertible Bonds at the Conversion Price.

The Consideration Shares shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue including the rights to all dividends, distributions and other payments made or to be made for which the record date falls or after the date of such allotment and issue. Under the Master Agreement, subsequent sales of the Consideration Shares are prohibited within six months after the Completion unless prior written consent is granted by the Purchaser.

Application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consideration Shares. The Consideration Shares shall be allotted and issued under the Specific Mandate.

The Convertible Bonds:

A maximum amount of HK$409.20 million of the Consideration is to be satisfied by the issue of the Convertible Bonds at the Conversion Price of HK$0.66 per Conversion Share by the Company to the Vendor (or its nominees).

The principal terms of the Convertible Bonds are summarized as follows:

Issuer

The Company

Bondholder(s)

The Vendor (or its nominees)

Principal amount

HK$409.20 million (subject to adjustments, details of which are set out in the paragraph headed "Adjustments to the Consideration" of this announcement)

Maturity date

The Business Day falling on the third anniversary from the issue date of the Convertible Bonds.

Interest

Interest shall accrue on the principal amount of the Convertible Bonds at 1% per annum and is payable quarterly.

Transferability

The Convertible Bonds will be freely transferable (in integral multiple of HK$1,000,000 or such lesser amount representing the entire outstanding principal amount of the Convertible Bonds) to transferee other than a connected person (as defined under the GEM Listing Rules) of the Company, which is subject to the consent of the Company and in compliance with the GEM Listing Rules.

Voting rights

The Bondholders are not entitled to attend or vote at any meetings of the Company.

Conversion

The Bondholders shall have the rights to convert at any time or after the expiry of the Undertaking Period in relation to part of the Convertible Bonds which have not been released to the Vendor during the Undertaking Period and the whole or part of the principal amount of the Convertible Bonds in integral multiple of HK$1,000,000 into Conversion Shares.

The conversion of the Convertible Bonds is also subject to certain restrictions as highlighted in note (7) to the shareholding chart in the paragraph headed "Changes in the shareholding structure of the Company" of this announcement.

Conversion Price

The Conversion Price of HK$0.66 per Conversion Share (subject to adjustments) represents:

(i) a premium of approximately 32.00% over the closing price of HK$0.50 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a premium of approximately 33.60% over the average of the closing price of HK$0.494 per Share for the last five consecutive trading days up to and including the Last Trading Day;

(iii) a premium of approximately 24.53% over the average of the closing price of HK$0.53 per Share for the last ten consecutive trading days up to and including the Last Trading Day; and

(iv) a premium of approximately 65.19% over the unaudited consolidated net asset value of the Company per Share of approximately HK$0.40 as at 30 June 2008 (based on the unaudited consolidated net asset value of the Company of approximately HK$77,910,000 as at 30 June 2008 and 195,000,000 issued Shares as at the date of the Master Agreement).

The Conversion Price was arrived at after arm's length negotiations between the Company and the Vendor, after taking into account of the market condition and the prevailing market price of the Shares. In view of that (i) the maximum principal amount of the Conversion Bonds is substantially different and higher than the monetary value of the Consideration Shares; (ii) the Convertible Bonds involve time value; (iii) the Convertible Bonds have conversion rights being attached; (iv) the conversion to the Conversion Shares are subject to the terms of the Convertible Bonds; and (v) the entire terms of the Convertible Bonds were determined after arm's length negotiations between the Company and the Vendor, the Conversion Price is thus higher than the Issue Price.

Redemption

Unless previously converted, purchased and cancelled, the Company shall redeem the Convertible Bonds at their outstanding principal amount plus any accrued interest by cash on the date of maturity of the Convertible Bonds.

Ranking of the Conversion Shares

The Conversion Shares falling to be issued upon exercise of the conversion rights attached to the Convertible Bonds shall, when issued, rank pari passu in all respects with all other Shares in issue as at the date of conversion.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in the Conversion Shares. The Conversion Shares shall be allotted and issued under the Specific Mandate.

Assuming full conversion of all Convertible Bonds at the Conversion Price, a maximum of 620,000,000 Conversion Shares will be issued, representing (i) approximately 317.95% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 259.41% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares; and (iii) approximately 72.18% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the maximum number of Conversion Shares upon full conversion of all Convertible Bonds at the Conversion Price.

Adjustments to the Consideration

The Vendor undertakes and guarantees to the Purchaser that he will try his best endeavor to obtain the Mobile Lottery Recharging Services Agreements for the Liaoning Business and the Shaanxi Business within three months after the Completion. Moreover, pursuant to the Master Agreement, the Purchaser shall release the certificates of the Convertible Bonds within three days after the signing of the Mobile Lottery Recharging Services Agreements for the Liaoning Business and the Shaanxi Business during the Undertaking Period.

The Purchaser reserves the rights to reduce the principal amount of the Convertible Bonds in the following situations: the Vendor being (i) unable to obtain the Mobile Lottery Recharging Services Agreement for the Liaoning Business, the principal amount of the Convertible Bonds shall be adjusted downward by HK$148 million; and (ii) unable to obtain the Mobile Lottery Recharging Services Agreements for the Shaanxi Business, the principal amount of the Convertible Bonds shall be adjusted downward by HK$71 million, within three days after the Undertaking Period.

In the event that the Vendor is unable to obtain the Mobile Lottery Recharging Services Agreements for the Liaoning Business and the Shaanxi Business during the Undertaking Period, the principal amount of the Convertible Bonds shall be deducted by HK$219 million accordingly.

Pursuant to the Master Agreement, the adjusted principal amounts of the Convertible Bonds being reduced under each of the situations as mentioned above will be cancelled by the Company.

The adjustments as aforementioned were determined after arm's length negotiations between the Purchaser and the Vendor with reference to the considerations for the Liaoning Business and the Shaanxi Business based on the preliminary valuation of the Liaoning Business and the Shaanxi Business of approximately RMB328 million (equivalent to approximately HK$373.92 million) and RMB139 million (equivalent to approximately HK$158.46 million) as at 31 August 2008 respectively as estimated by Asset Appraisal in the Valuation Report. Given that the adjustment amounts for the Liaoning Business and the Shaanxi Business are equal to the considerations for the Liaoning Business and the Shaanxi Business respectively, the Directors consider that such adjustments have been fairly and reasonably determined.

The Promissory Notes:

A maximum of HK$254.40 million of the Consideration is to be satisfied by the issue of the Promissory Notes by the Company to the Vendor (or its nominees) in two tranches. Promissory Note I in the principal amount of HK$154.40 million shall be issued upon Completion. Promissory Note II in the principal amount of HK$100 million shall be issued upon Completion and shall be released by the Purchaser to the Vendor within ten days after the issue of the audited consolidated financial statements of the JV Company for the year ending 31 December 2009 subject to the downward adjustment to the principal amount of Promissory Note II (details of the adjustment is set out in the paragraph headed "Profit Guarantee" below) in the event that the Profit Guarantee is not attained. The actual amount of Promissory Note II being released to the Vendor will be based on the audited profits after enterprise income tax but before minority interests of the JV Company for the year ending 31 December 2009. Details of the Profit Guarantee and mechanism for the issue of Promissory Note II are set out in the paragraph headed "Profit Guarantee" of this announcement.

The principal terms of the Promissory Notes are summarized as follows:

Issuer

The Company

Aggregated principal amounts

HK$254.40 million (subject to adjustments, details of which are set out in the paragraph headed "Profit Guarantee" of this announcement)

Maturity

The Business Day falling on the third anniversary from its date of issue.

Interest rate

The Promissory Notes are interest-free.

Repayment

At the sole discretion of the Company, the principal amount of the Promissory Notes may be repaid before the maturity date of the Promissory Notes at a 3% discount. Otherwise, payment of principal of the Promissory Notes shall be made in full upon their date of maturity.

Profit Guarantee:

Pursuant to the Master Agreement, the Vendor undertakes to the Purchaser that the profits after enterprise income tax but before minority interests shown in the audited financial statements of the JV Company in accordance with Hong Kong Financial Reporting Standards for the year ending 31 December 2009 shall not be less than (i) HK$99 million for the Existing Provinces Businesses; or (ii) HK$138 million for the Existing Provinces Businesses and the Liaoning Business; or (iii) HK$114 million for the Existing Provinces Businesses and the Shaanxi Business; or (iv) HK$153 million for the Existing Provinces Businesses, the Liaoning Business and the Shaanxi Business.

In the event that the audited profits after enterprise income tax but before minority interests of the JV Company for the year ending 31 December 2009 are unable to meet the profit guarantees under any of the four scenarios as just mentioned (as the case may be), the principal amount of Promissory Note II to be released to the Vendor will be adjusted downwards by 52% of the difference between the respective guaranteed profit and the actual profits after enterprise income tax but before minority interests of the JV Company for the year ending 31 December 2009, while in the event that the JV Company recorded losses after enterprise income tax but before minority interests for the year ending 31 December 2009, the principal amount of Promissory Note II to be released to the Vendor will be adjusted downward by 52% of the respective guaranteed profit plus the actual losses after enterprise income tax but before minority interests of the JV Company for the year ending 31 December 2009. The adjusted principal amount of Promissory Note II being reduced will be cancelled accordingly.

In case the downward adjustment exceeds the amount of HK$100 million, being the principal amount of Promissory Note II, the Vendor shall be required to pay the corresponding shortfall to the Purchaser by cash within three days upon receipt of notification from the Purchaser.

Service Agreements

Pursuant to the Master Agreement, the Vendor and Mr. Wu Hong will enter into the Service Agreements with the Target Group upon the Completion. Currently, the Vendor and Mr. Wu Hong are directors of the Target Group. To the best of the Directors' knowledge, the Vendor and Mr. Wu Hong will continue to work as directors for the Target Group until and after the Completion. The parties have agreed that the Service Agreements will contain the following major terms:

1) the duration of the Service Agreements would be at least for two years but not exceeding three years; and

2) the Target Group has the rights to terminate the Service Agreements by giving notice period of less than one year.

The Directors are of the view that the Service Agreements would allow the JV Company to continue its normal operation after the Completion and also enable the Purchaser to secure certain key personnel of the JV Company. Therefore, the Directors consider that it is beneficial to the Company and the Shareholders as a whole to include the Service Agreements as one of the conditions precedent of the Master Agreement.

Since it is envisaged that Rule 17.90 of the GEM Listing Rules would not be applicable to the Service Agreements, the continuation of the Service Agreements after the Completion would be a connected transaction exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 20.31(6) of the GEM Listing Rules.

Non-competition undertaking

Under the Master Agreement, the Vendor also undertakes to the Purchaser that he and his associates would not directly or indirectly engage in businesses which would compete with the businesses of the Target Group in the PRC for a period of four years after the date of the Master Agreement.

INFORMATION ON THE TARGET GROUP

The Target Company

As aforementioned, the Target Company is an investment holding company incorporated in the British Virgin Islands on 29 January 2008 with limited liability. The Target Company is owned as to 99% by the Vendor and 1% by Mr. Wu Hong.

The HK Company and the JV Company

The HK Company is a company incorporated in Hong Kong with limited liability on 10 April 2007 and is a wholly-owned subsidiary of the Target Company. As at the date of this announcement, the HK Company is interested in 80% equity interest in the JV Company, which is a sino-foreign equity joint venture incorporated on 30 July 2007 with limited liability. The JV Company is principally engaged in research and development in network communication software, provision of communication technology services, as well as provision of installation and consulting services for network communication engineering in the PRC. Upon Completion, the Group will be effectively interested in 52% of the equity interest in the JV Company.

The registered capital of the JV Company is US$3 million, of which US$2.40 million and US$0.60 million shall be contributed by the HK Company and TLT (Shanghai) respectively and as at the date of the Master Agreement, the HK Company and TLT (Shanghai) had contributed the amounts of approximately US$1.39 million and US$0.40 million as registered capital to the JV Company respectively. The HK Company is hence responsible for contributing the remaining unpaid registered capital of US$1.01 million into the JV Company. Pursuant to the Master Agreement, shareholders of the Target Company (including the Purchaser, the Vendor and Mr. Wu Hong) shall contribute to the remaining unpaid registered capital of the JV Company being responsible by the HK Company in proportion to their respective shareholdings in the Target Company. In other words, the outstanding capital contribution of US$1.01 million to be contributed by the HK Company will be made on the basis of the Purchaser, the Vendor and Mr. Wu Hong's respective effective interests in the HK Company in the ratio of 65%: 34%: 1% respectively.

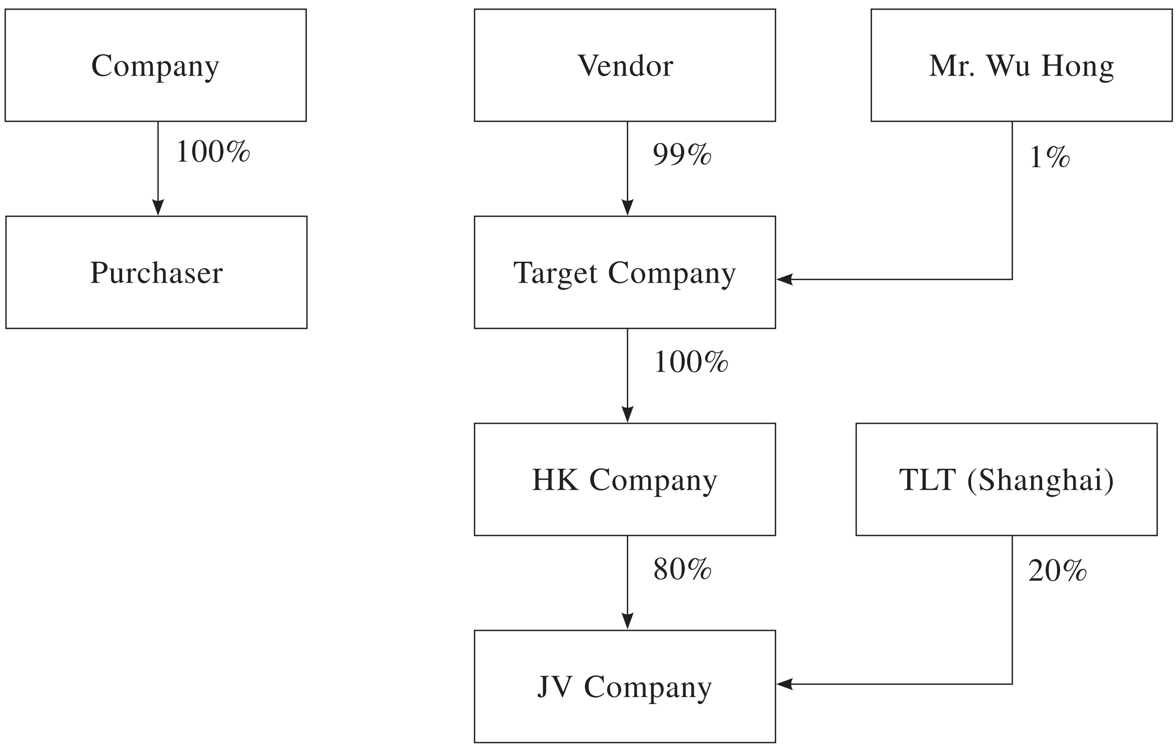
Save as and except for the entire equity interest in the HK Company and the 80% equity interest in the JV Company, the Target Company has no other material assets and properties as at the date of this announcement.

According to the unaudited financial statements of the Target Group prepared under Hong Kong Financial Reporting Standard, the net loss before and after taxation of the Target Group were approximately HK$5.85 million for the period from 10 April 2007 to 31 December 2007, while the net loss before and after taxation of the Target Group for the seven months ended 31 July 2008 were approximately HK$8.32 million. The net liabilities of the Target Group were approximately HK$5.72 million and HK$10.4 million as at 31 December 2007 and 31 July 2008 respectively.

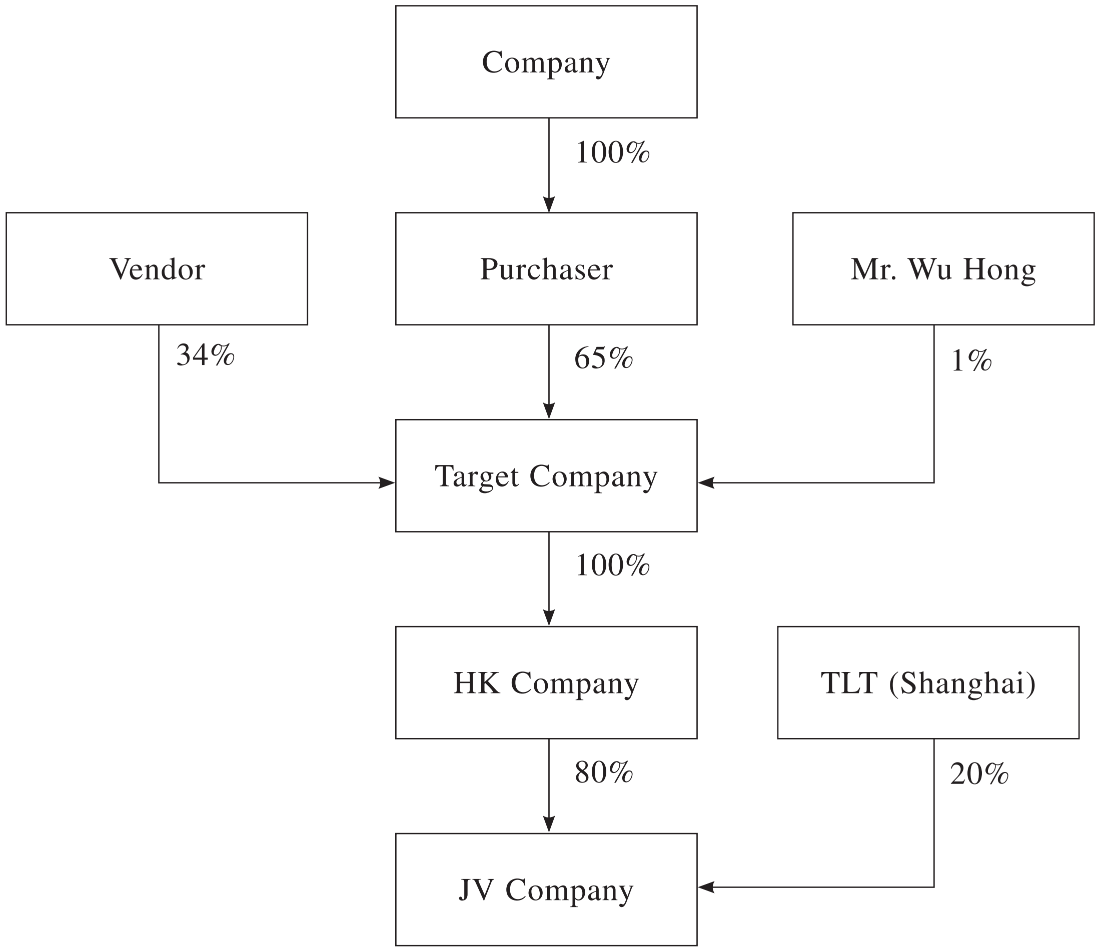
Shareholding chart

The following charts show the shareholding structure of the Target Group (i) as at the date of this announcement; and (ii) immediately after the Completion:

Simplified shareholding structure as at the date of this announcement



Simplified shareholding structure immediately after the Completion



Note:
The Vendor shall become a substantial shareholder of the Company upon Completion.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the provision of public bus transportation and related services in the PRC.

The Group has been seeking suitable investment opportunities from time to time to diversify its existing business portfolio and to broaden its source of income. In this regard, the Directors believe that the Acquisition will provide an opportunity for the Group to gain access to the promising mobile value added services business and sports lottery market in the PRC and broaden the income base of the Group, thereby enhancing the Group's financial position and profitability in the future. It is also the intention of the Company to continue its existing businesses depending on the then business environment and prospects.

The Mobile Lottery Recharging Services Agreement

Since 2007, the JV Company has signed five Mobile Lottery Recharging Services Agreements with entities in five regions of the PRC, namely, Shandong Sports Lottery Administrative Center (山東省體育彩票管理中心), Hainan Sports Lottery Administrative Center (海南省體育彩票管理中心), Qinghai Sports Lottery Administrative Center (青海省體育彩票管理中心), Hubei Sports Lottery Administrative Center (湖北省體育彩票管理中心) and Gansu Sports Lottery Administrative Center (甘肅省體育彩票管理中心). Pursuant to the Mobile Lottery Recharging Services Agreements, the JV Company was authorized to provide the mobile lottery recharging services in the sports lottery business for a fixed term of five years in Shandong province, Hainan province, Qinghai province, Hubei province and Gansu province respectively.

Under the Mobile Lottery Recharging Services Agreements, the JV Company shall receive certain percentage of the payment as service fee income from China Sports Lottery Administrative Center (中國體育彩票管理中心) for recharging service provided by the JV Company to mobile lottery users in the PRC. In addition, it is stated in the Mobile Lottery Recharging Services Agreements that relevant government authorities shall not procure another services provider in the mentioned provinces in the PRC under normal circumstances and the JV Company has the priority rights to renew the Mobile Lottery Recharging Services Agreements under the same terms offered by other services providers upon expiry of the respective Mobile Lottery Recharging Services Agreements.

As far as the Directors are aware of, the Target Group has not yet commenced any business, operation and did not generate any significant revenue for the period from 10 April 2007 to 31 December 2007 and the seven months ended 31 July 2008 as the JV Company has just entered into the aforesaid five Mobile Lottery Recharging Services Agreements. The JV Company made losses for the said year/period due to operation and administration expenses.

Furthermore, the JV Company is in the progress of negotiating and signing two Mobile Lottery Recharging Services Agreements with entitles in two other provinces of the PRC, namely, Liaoning Sports Lottery Administrative Center (遼寧省體育彩票管理中心) and Shaanxi Sports Lottery Administrative Center (陝西省體育彩票管理中心). Further announcement(s) will be made by the Company in respect of any material development on the aforementioned services agreements with Liaoning Sports Lottery Administrative Center and Shaanxi Sports Lottery Administrative Center to comply with the disclosure requirements under the GEM Listing Rules as and when appropriate.

The sports lottery market in the PRC

The lottery sector is strictly regulated by the PRC government which currently intends to tighten regulations against illegal gambling activities in the PRC. Currently, the sports lottery market is regulated by various authorities in the PRC and the JV Company is one of the qualified sports lottery service providers for the mobile lottery recharging services administered by the China Sports Lottery Administrative Center (中國體育彩票管理中心) in the PRC.

The consumer spending and gross domestic products per capita in the PRC have been demonstrating an increasing trend in recent years and it is expected that the PRC citizens will increase its spending on lottery entertainment accordingly. As referred to the statistics released by the Ministry of Finance of the PRC, the total revenue generated from the lottery business in the PRC was approximately RMB81.96 billion and RMB101.70 billion in 2006 and 2007 respectively, representing an increase of approximately 24.08%. Such considerable growth corresponded with the growth of the PRC's gross domestic products of approximately 12% as quoted on Bloomberg for the same said period.

In addition, taking into account the increase in popularity and penetration of mobile phones in the PRC, related value-added services for mobile phone, which is considered to be complementary to mobile phone users, also presents numerous business opportunities. Given the rising popularity of both of the lottery market and demand for valued-added services from mobile phones users in the PRC, the Directors are optimistic about the prospect of the JV Company despite its current loss-making position. For this reason, the Directors consider that the Acquisition is in the interests of the Company and the Shareholders as a whole.

Possible continuing connected transactions

On 22 January 2008, the JV Company and TLT (Shanghai) entered into the Co-operative Agreement for developing the lottery recharging services business. Pursuant to the Co-operative Agreement, TLT (Shanghai), holder of the Operating License for Telecommunications Recharging Business of the PRC and the Certificate for Use of Access Code of Short Message Services of the PRC, will provide the network services to support the JV Company's lottery recharging business at an annual service fee of RMB480,000 (the "**Network Service Fee**"). The PRC legal adviser to the Company confirmed that such licenses are necessary and valid for conducting the business of research and development in network communication software, provision of communication technology services, as well as provision of installation and consulting services for network communication engineering in the PRC. The PRC legal adviser to the Company also confirmed that the form and contents of the Co-operative Agreement are legal and valid in the PRC.

Upon Completion, the Company, through the Purchaser, will become an indirect controlling shareholder of the JV Company and the aforesaid transactions entered into between the JV Company and TLT (Shanghai) will become continuing connected transactions for the Company under the GEM Listing Rules. As the applicable ratios for the Co-operative Agreement are more than 0.1% but less than 2.5% and the annual consideration is less than HK$1 million, the continuing connected transactions contemplated by the Network Service Fee are exempt from reporting, announcement and independent's shareholders' approval requirements under the GEM Listing Rules.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, set out below is a summary of the shareholdings in the Company (i) as at the date of this announcement; (ii) immediately after the issue of the Consideration Shares; and (iii) immediately after the issue of the Consideration Shares and the maximum number of Conversion Shares upon full conversion of all Convertible Bonds; and (iv) immediately after the issue of the Consideration Shares and Conversion Shares upon full conversion of the Convertible Bonds subject to the conversion restrictions under the Master Agreement and the terms of the Convertible Bonds:

Shareholders	**As at the date of this announcement**		**After the issue of the Consideration Shares**		**After the issue of the Consideration Shares and the maximum number of Conversion Shares upon full conversion of all Convertible Bonds**		**After the issue of the Consideration Shares and the maximum number of Conversion Shares upon conversion of the Convertible Bonds, while the Vendor does not hold more than 19.90% of the issued share capital of the Company** *(Note 7)*	
	No. of Shares	*%*	*No. of Shares*	*%*	*No. of Shares*	*%*	*No. of Shares*	*%*
Sino Market Enterprises Limited ("Sino Market") *(Notes 1, 2 & 3)*	62,284,000	31.94	62,284,000	26.06	62,284,000	7.25	62,284,000	25.58
Yeung Wai Hung ("Mr. Yeung") *(Note 4)*	1,400,000	0.72	1,400,000	0.59	1,400,000	0.16	1,400,000	0.58
Wonderful Source Limited ("Wonderful Source") *(Note 5)*	50,000,000	25.64	50,000,000	20.92	50,000,000	5.82	50,000,000	20.54
The Vendor	–	–	44,000,000	18.41	664,000,000	77.30	48,444,000	19.90
Public Shareholders *(Note 6)*	81,316,000	41.70	81,316,000	34.02	81,316,000	9.47	81,316,000	33.40
Total	**195,000,000**	**100**	**239,000,000**	**100**	**859,000,000**	**100**	**243,444,000**	**100**

Notes:

1. Sino Market is owned by Sinoman International Limited as to approximately 54.8%, Mellin Enterprises Limited as to approximately 22.6% and Mr. Yeung (see note (4) below for description of Mr. Yeung's identity) as to approximately 22.6%.

2. Sinoman International Limited is wholly-owned by Twilight Enterprises Limited which is owned by Mr. Wilkie Wong (a non-executive Director) as to 12.5%, Mr. Wong Wai Lok, William (not a director of the Company or its subsidiaries) as to 12.5%, Ms. Wong Wai Yee, Winnie (not a director of the Company or its subsidiaries) as to 12.5%, Ms. Wong Wai Ying, Vivian (not a director of the Company or its subsidiaries) as to 12.5%, and Madam Chiu Chee Chai (not a director of the Company or its subsidiaries) as to 50%.

3. Mellin Enterprises Limited is owned by Mr. Wong Wah Sang, the Chairman and a non-executive Director as to 50% and Mr. Wong Man Chiu, Ronnie, an executive Director as to 50%.

4. Mr. Yeung is a former Director, still a director of Argos Bus Services (China) Company Limited (a wholly-owned subsidiary of the Company) and one of the ultimate beneficial owners of Sino Market. The 1,400,000 Shares are held under the name of Cherikoff Bakery & Confections Limited and by virtue of Part XV of the SFO, Mr. Yeung is deemed to be interested in the entire issued capital of Cherikoff Bakery & Confections Limited which is interested in the 1,400,000 Shares.

5. Wonderful Source is a company incorporated in the British Virgin Islands which is wholly and beneficially owned by Mr. Cheung Man Yau, Timothy, an executive Director.

6. Sharp Mode Limited is the holder of the convertible bonds issued by the Company on 30 July 2008 in the principal amount of HK$7.2 million at conversion price of HK$0.2 per conversion share and its ultimate beneficial owner is Mr. Chow Chun Yee, who is a public Shareholder. On 23 September 2008, a principal amount of HK$3 million of the said convertible bonds had been transferred from Sharp Mode Limited to three individuals, whom (i) to the best of the Directors' knowledge and belief and having made all reasonable enquiries, are Independent Third Parties; (ii) as confirmed by the Vendor and Mr. Wu Hong, are not related to each of the Vendor and Mr. Wu Hong; and (iii) would not become substantial Shareholders as a result of such conversion. Subsequently, the principal amount of HK$7.2 million of the convertible bonds held by Sharp Mode Limited had been reduced to HK$4.2 million accordingly.

7. No conversion of the Convertible Bonds shall be made if such conversion would (i) trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Bondholder(s) who exercises the conversion rights, whether or not such mandatory offer obligation is triggered off by the fact that the number of Conversion Shares to be allotted and issued upon the exercise of the conversion rights attached to the Convertible Bonds (if applicable, including any Shares acquired by the parties acting in concert with the Bondholder(s)) represents more than 30% (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) of the then issued ordinary share capital of the Company; or (ii) result in the Company's non-compliance with the minimum public shareholding requirement stipulated under Rule 11.23 of the GEM Listing Rules or otherwise pursuant to other provisions of the GEM Listing Rules or the Takeovers Code. There is a presumption that the Vendor and the group (the "**Concert Group**") comprising Sino Market, Mr. Yeung and Wonderful Source being acting in concert if the shareholdings of the Vendor and the Concert Group in the Company both reach 20% of the issued share capital of the Company. Accordingly, it is assumed that the Vendor will only hold not more than approximately 19.90% of the issued share capital of the Company.

The Company shall comply with the public float requirements, being not less than 20% of the total issued share capital of the Company under the Rule 11.23 of the GEM Listing Rules at all times and take appropriate steps/measures to ensure sufficient public float of the Shares at all times.

Dilution effect on the Shareholders

Due to the significant dilution effect of the Conversion Shares, the Company would adopt the following additional disclosure measures should the Acquisition proceeds to the Completion:

(i) the Company will make a monthly announcement (the "**Monthly Announcement**") on the website of the Stock Exchange and the website of the Company for so long as the Convertible Bonds are outstanding. Such Monthly Announcement will be made on or before the fifth Business Day following the end of each calendar month and will include the following information in table form:

  (a) whether there is any conversion of the Convertible Bonds during the relevant month. If yes, the relevant Monthly Announcement will set out details of the conversion(s), including the conversion date, the number of new Shares issued and conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;

  (b) the amount of outstanding Convertible Bonds after the conversion, if any;

  (c) the total number of Shares issued pursuant to other transactions during the relevant month, including Shares issued pursuant to exercise of options under any share option scheme(s) of the Company, if any; and

  (d) the total issued share capital of the Company as at the commencement and the last day of the relevant month.

(ii) in addition to the Monthly Announcement, if the cumulative amount of the Conversion Shares issued pursuant to the conversion of the Convertible Bonds reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the website of the Stock Exchange and the website of the Company including details as stated in (i) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (as the case may be) up to the date on which the total amount of Shares issued pursuant to the conversion amounted to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (as the case may be).

(iii) the Company forms the view that any issue of the Conversion Shares will trigger the disclosure requirements under Rule 17.10 of the GEM Listing Rules, then the Company is obliged to make such disclosure regardless of the issue of any announcements in relation to the Convertible Bonds as mentioned in (i) and (ii) above.

IMPLICATION UNDER THE GEM LISTING RULES

Since the relevant percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Acquisition is more than 100%, the Acquisition constitutes a very substantial acquisition for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

An EGM will be held to consider and, if thought fit, approve the ordinary resolutions in respect of the Master Agreement and the transactions contemplated thereunder. As no Shareholder has any material interest in the Master Agreement, no Shareholder is required to abstain from voting at the EGM in respect of the Master Agreement and the transactions contemplated thereunder, and the Specific Mandate.

GENERAL

A circular containing, among other things, (i) further details of the Acquisition, the Consideration Shares, the Convertible Bonds and the Promissory Notes; and (ii) a notice of EGM, will be despatched to the Shareholders as soon as practicable.

As completion of the Acquisition is subject to the fulfillment of a number of conditions precedent which are detailed in this announcement, the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 24 September 2008 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 16 October 2008.

DEFINITIONS

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

"Acquisition"	the acquisition of 65% equity interest in the Target Company by Mega Field and the Sale Loan from the Vendor pursuant to the terms and conditions set out in the Master Agreement
"Asset Appraisal"	Asset Appraisal Limited, an independent valuer
"Board"	the board of Directors
"Bondholder(s)"	holder(s) of the Convertible Bonds

"Business Day(s)"	a day (excluding Saturday) on which banks are generally open for business in Hong Kong
"Company"	Argos Enterprise (Holdings) Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on GEM
"Completion"	the completion of the Master Agreement
"connected person(s)"	has the meaning ascribed thereto under the GEM Listing Rules and the word "connected" shall be construed accordingly
"Consideration"	the consideration of not more than HK$695 million payable by the Purchaser to the Vendor for the Acquisition pursuant to the Master Agreement
"Consideration Share(s)"	44,000,000 new Shares to be allotted and issued to the Vendor, credited as fully paid at the Issue Price in accordance with the terms of the Master Agreement
"Conversion Price"	HK$0.66 per Conversion Share, subject to adjustments in accordance with the conditions of the Convertible Bonds
"Conversion Share(s)"	a maximum number of 620,000,000 new Shares to be allotted and issued by the Company upon exercise of the conversion rights attached to all Convertible Bonds
"Convertible Bonds"	the convertible redeemable bonds in the principal amount of HK$409.20 million at maximum to be issued by the Company to the Vendor in accordance with the terms of the Master Agreement
"Co-operative Agreement"	the co-operative agreement entered between the JV Company and TLT (Shanghai) on 22 January 2008
"Director(s)"	the director(s) of the Company

"EGM"	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve by the Shareholders the Master Agreement and the transactions contemplated thereunder, and the Specific Mandate
"Existing Provinces Businesses"	the development of mobile lottery recharging technology and the provision of marketing services in relation to the mobile lottery recharging services in the sports lottery business in Shandong province, Hainan province, Qinghai province, Hubei province and Gansu province pursuant to the Mobile Lottery Recharging Services Agreements entered into by the JV Company with Shandong Sports Lottery Administrative Center (山東省體育彩票管理中心), Hainan Sports Lottery Administrative Center (海南省體育彩票管理中心), Qinghai Sports Lottery Administrative Center (青海省體育彩票管理中心) Hubei Sports Lottery Administrative Center (湖北省體育彩票管理中心) and Gansu Sports Lottery Administrative Center (甘肅省體育彩票管理中心) respectively
"GEM"	the Growth Enterprises Market of the Stock Exchange
"GEM Listing Committee"	the listing sub-committee of the board of the Stock Exchange with responsibility for GEM
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HK Company"	Index Hong Kong Limited (明德香港有限公司), a wholly-owned subsidiary of the Target Company and was incorporated in Hong Kong with limited liability on 10 April 2007
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Parties"	third parties and their ultimate beneficial owner(s) which are independent of the Company and its connected persons

"Issue Price"	the issue price of HK$0.60 per Consideration Share
"JV Company"	上海唐路科技服務有限公司 (TLT Services (Shanghai) Limited*), a sino-foreign equity joint venture with limited liability incorporated on 30 July 2007
"Last Trading Day"	23 September 2008, being the last day on which the Shares were traded on the Stock Exchange prior to the suspension of trading in the Shares pending the publication of this announcement
"Liaoning Business"	the development of mobile lottery recharging technology and the provision of marketing services in relation to the mobile lottery recharging services in the sports lottery business in Liaoning province pursuant to the Mobile Lottery Recharging Services Agreement to be entered into by the JV Company with Liaoning Sports Lottery Administrative Center (遼寧省體育彩票管理中心)
"Master Agreement"	the share transfer agreement in relation to the Acquisition which was entered into between the Purchaser and the Vendor on 23 September 2008
"Memorandum of Understanding"	a non-legally binding commitment dated 30 July 2008 which was entered into between the Purchaser and the Vendor
"Mobile Lottery Recharging Services Agreement(s)"	the mobile lottery recharging services agreement(s) entered into by the JV Company with Shandong Sports Lottery Administrative Center, Hainan Sports Lottery Administrative Center, Qinghai Sports Lottery Administrative Center, Hubei Sports Lottery Administrative Center and Gansu Sports Lottery Administrative Center and to be entered into by the JV Company with Liaoning Sports Lottery Administrative Center and Shaanxi Sports Lottery Administrative Center
"PRC"	the People's Republic of China

"Profit Guarantee"	the guarantee given by the Vendor under which the profits after enterprise income tax but before minority interests of the JV Company for the year ending 31 December 2009 shall not be less than (i) HK$99 million for the Existing Provinces Businesses; or (ii) HK$138 million for the Existing Provinces Businesses and the Liaoning Business; or (iii) HK$114 million for the Existing Provinces Businesses and the Shaanxi Business; or (iv) HK$153 million for the Existing Provinces Businesses, the Liaoning Business and the Shaanxi Business
"Promissory Note I"	a promissory note of HK$154.40 million to be issued by the Company to the Vendor upon Completion as part of the Consideration
"Promissory Note II"	a promissory note of HK$100.00 million to be issued by the Company to the Vendor upon Completion and shall be released by the Purchaser to the Vendor within ten days after the issue of the audited consolidated financial statements of the JV Company for the year ending 31 December 2009 in the event that the Profit Guarantee is attained
"Promissory Notes"	Promissory Note I and Promissory Note II to be issued by the Company in an aggregate principle amount of HK$254.40 million at maximum
"Purchaser" or "Mega Field"	Mega Field International Limited (偉大國際有限公司), a company incorporated in Hong Kong on 22 November 2006 and a wholly-owned subsidiary of the Company, being the purchaser of the Acquisition under the Master Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Loan"	65% of the shareholders' loan being owed by the HK Company to the Vendor upon Completion. As at the date of the Master Agreement, the total amount of the shareholders' loan owed by the HK Company to the Vendor was amounted to approximately HK$18.28 million. The Sale Loan was equivalent to 65% of the said loan and therefore as at the date of the Master Agreement, the Sale Loan was amounted to approximately HK$11.88 million

"Sale Shares"	650 shares of US$1.00 each in the issued share capital of Wisdom In, representing 65% of the issued share capital of Wisdom In as at the date of this announcement
"Service Agreement(s)"	the service agreement(s) to be entered into by the Target Group with each of the Vendor and Mr. Wu Hong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shaanxi Business"	the development of mobile lottery recharging technology and the provision of marketing services in relation to the mobile lottery recharging services in the sports lottery business in Shaanxi province pursuant to the Mobile Lottery Recharging Services Agreement to be entered into by the JV Company with Shaanxi Sports Lottery Administrative Center (陝西省體育彩票管理中心)
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Specific Mandate"	the specific mandate to be granted to the Directors by the Shareholders at the EGM to issue new Shares at any time during the period specified in the ordinary resolution set out in the notice of EGM
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholders(s)"	has the meaning ascribed thereto under the GEM Listing Rules
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Repurchases of the Securities and Futures Commission of Hong Kong
"Target Company"	Wisdom In Holdings Limited, a company incorporated in the British Virgin Islands on 29 January 2008 and is owned as to 99% by the Vendor

"Target Group"	the Target Company and its subsidiaries (including the HK Company and the JV Company)
"TLT (Shanghai)"	上海唐路科技有限公司 (TLT (Shanghai) Limited*), a company incorporated in the PRC with limited liability on 17 January 2006
"Undertaking Period"	the period within three months after the Completion
"US$"	US dollars, the lawful currency of United States
"Vendor"	Mr. Zhang Weiting (張偉庭)
"%"	per cent.

On behalf of the Board
Argos Enterprise (Holdings) Limited
Cheung Man Yau, Timothy
Executive Director and Chief Executive Officer

Hong Kong, 15 October 2008

The Directors as at the date of this announcement:

Executive Directors:
Mr. Wong Man Chiu, Ronnie
Mr. Cheung Man Yau, Timothy
Mr. Cheng Wing Hong

Non-executive Directors:
Mr. Wong Wah Sang (Chairman)
Mr. Wilkie Wong

Independent non-executive Directors:
Mr. Sung Wai Tak, Herman
Mr. Fung Wai Shing
Mr. Wong Lit Chor, Alexis

For the purpose of this announcement, all amounts denominated in RMB have been translated (for information only) into HK$ using the exchange rate of RMB1.00:HK$1.14. No representation is made that any amounts in RMB or HK$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

If there is any inconsistency between the Chinese names of the PRC entitles mentioned in this announcement and their English translations, the Chinese names shall prevail.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the "Latest Company Announcements" page of the website of the Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.argosenterprise.com.hk for at least 7 days from the date of its postings.

* *For identification purpose only*