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NET2GATHER (CHINA) HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock code: 1049)

ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”).

FACILITY AGREEMENT

The board of directors (“Board”) of Net2Gather (China) Holdings Limited (“Company”) announces that on 14 July 2011, Praise Joy Limited (a wholly-owned subsidiary of the Company) as borrower entered into a facility agreement (“Facility Agreement”) relating to a revolving loan facility (“Loan Facility”) of HK\$80,000,000 with Wah Sun Finance Limited (“Lender”). The Loan Facility commences from the date of the Facility Agreement to and including 30 June 2013.

SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER OF THE COMPANY

Pursuant to the terms of the Facility Agreement, the Company and Mr Kwan Pak Hoo Bankee (“Mr Kwan”), the chairman and indirect controlling shareholder of the Company, undertake, inter alia, that:-

- (1) Save with written consent of the Lender, Mr Kwan shall remain as the only major shareholder in the Company and shall (directly or indirectly) legally and beneficially own not less than 30% of the issued share capital of the Company;
- (2) Mr Kwan exerts de facto control over the management and affairs of the Company and remains as executive chairman of the Company.

As at the date of this announcement, Mr Kwan owns approximately 31.86% of the issued share capital of the Company.

If an event of default under the Facility Agreement occurs, the Lender may declare the Loan Facility terminated and/or all outstanding amounts together with interest accrued thereon and all other sums payable by the Company under the Facility Agreement to be immediately due and payable.

By order of the Board
Suzanne S W Luke
Company Secretary

Hong Kong, 14 July 2011

As at the date hereof, the Board comprises:-

Executive Directors:

Mr Kwan Pak Hoo Bankee
Mr Law Ping Wah Bernard
Mr Ng Kung Chit Raymond

Independent non-executive Directors:

Mr Leung Ka Kui Johnny
Mr Wong Chuk Yan
Dr Chan Hak Sin