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SHENGUAN HOLDINGS (GROUP) LIMITED

神冠控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00829)

DISCLOSEABLE TRANSACTION

ACQUISITION OF ONE-YEAR TERM PRC CERTIFICATE TREASURY BONDS

The Board announces that, on 22 July 2010, the Group (through Wuzhou Shenguan) acquired the T-bonds in the aggregate principal amount of RMB110,733,200 (equivalent to approximately HK\$127,343,180).

As the relevant Percentage Ratio in respect of the T-bonds Acquisition is more than 5% but below 25%, the T-bonds Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE T-BONDS ACQUISITION

Date:	22 July 2010
Acquiror:	Wuzhou Shenguan, a sino-foreign equity joint venture enterprise established in the PRC, the equity interests of which is indirectly owned as to 97% by the Company
Issuer:	The Ministry of Finance of the PRC, an independent third party not connected with the Company and its connected persons
Aggregate principal amount of the T-bonds acquired:	RMB110,733,200 (equivalent to approximately HK\$127,343,180). The whole sum of which has been paid by cash on 22 July 2010
Maturity date of the T-bonds:	22 July 2011, the date on which the principal amount of the T-bonds acquired by Wuzhou Shenguan shall be repayable in full together with the interest accrued thereon

Interest rate: 2.60% per annum

Transferability: The T-bonds are non-transferable

The T-bonds Acquisition will be funded by internal resources generated from the operations of the Group.

REASONS FOR THE T-BONDS ACQUISITION

As (i) the T-bonds acquired by Wuzhou Shenguan offer a better return on cash of the Group when compared to the fixed-term deposit interest rates offered by commercial banks in the PRC; and (ii) the interest income under the T-bonds is exempt from enterprise income tax in the PRC, the Directors consider that the T-bonds Acquisition is on normal commercial terms and the terms of the T-bonds acquired by Wuzhou Shenguan are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

GENERAL

The Group is principally engaged in the manufacture and sale of edible collagen sausage casing products in the PRC. Wuzhou Shenguan is a major operating subsidiary of the Company.

As the relevant Percentage Ratio in respect of the T-bonds Acquisition is more than 5% but below 25%, the T-bonds Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Shenguan Holdings (Group) Limited (神冠控股(集團)有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Percentage Ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“T-bonds”	the 2.60% one-year term certificate treasury bonds issued by the Ministry of Finance of the PRC
“T-bonds Acquisition”	the acquisition of the T-bonds in the aggregate principal amount of RMB110,733,200 by Wuzhou Shenguan
“Wuzhou Shenguan”	梧州神冠蛋白腸衣有限公司 (Wuzhou Shenguan Protein Casing Co., Ltd.), a sino-foreign equity joint venture enterprise established in the PRC, the equity interests of which is owned as to 97% by the Company
“%”	per cent.

By Order of the Board
Shenguan Holdings (Group) Limited
Zhou Yaxian
Chairman

Hong Kong, 22 July 2010

As at the date of this announcement, the executive Directors are Ms. Zhou Yaxian, Ms. Cai Yueqing, Mr. Shi Guicheng and Mr. Ru Xiquan; the non-executive Director is Mr. Low Jee Keong; and the independent non-executive Directors are Mr. Tsui Yung Kwok, Mr. Meng Qinguo and Mr. Yang Xiaohu.

In this announcement, amounts denominated in RMB have been translated into HK\$ at the rate of RMB1 = HK\$1.15 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.