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Silver Base Group Holdings Limited

銀基集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 886)

VOLUNTARY ANNOUNCEMENT IN RELATION TO THE ENTERING INTO OF EXCLUSIVE DISTRIBUTION AGREEMENT AND SUPPLEMENTARY AGREEMENT

EXCLUSIVE DISTRIBUTION AGREEMENT AND SUPPLEMENTARY AGREEMENT

The Board is pleased to announce that Shenzhen Silver Base Trading, a subsidiary of the Company, has on 6 May 2011 entered into the Exclusive Distribution Agreement and the Supplementary Agreement with Shanxi Xinghuacun Fen Wine. Pursuant to the Exclusive Distribution Agreement and the Supplementary Agreement, Shenzhen Silver Base Trading has been appointed as the sole worldwide distributor of 55% (alcoholic degree) 40-year Qinghua Fen Wine (40年青花汾酒) (500ml x 6) and 55% (alcoholic degree) Classic Guocang Fen Wine (經典國藏汾酒) (660ml x 2) of Shanxi Xinghuacun Fen Wine for a term commencing from 6 May 2011 to 25 December 2015.

This announcement is made on voluntary basis in regard to the Exclusive Distribution Agreement and the Supplementary Agreement, in order to enhance transparency of the Company.

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This announcement is made on voluntary basis in regard to the Exclusive Distribution Agreement and the Supplementary Agreement, in order to enhance transparency of the Company.

To the best knowledge, information and belief of the Directors, Shanxi Xinghuacun Fen Wine is not a connected person of the Company and is independent of the Company and its connected person.

The Board considers that the Exclusive Distribution Agreement and the Supplementary Agreement were entered into in ordinary course of business of the Group and are on normal commercial terms after arm's length negotiation. The Board considers that terms of the Exclusive Distribution Agreement and the Supplementary Agreement are fair and reasonable and in the interest of the Company and Shareholders as a whole.

DEFINITIONS

Unless the context requires otherwise, the following words and phrases used in this announcement have the following meanings:

“Board”	the board of Directors
“Company”	Silver Base Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (Stock Code: 886)
“connected persons”	has the meaning ascribed to it in the Listing Rules
“Directors”	directors of the Company
“Exclusive Distribution Agreement”	the distribution agreement for 55% (alcoholic degree) 40-year Qinghua Fen Wine (40年青花汾酒) (500ml x 6) and 55% (alcoholic degree) Classic Guocang Fen Wine (經典國藏汾酒) (660ml x 2) dated 6 May 2011 entered into between Shenzhen Silver Base Trading and Shanxi Xinghuacun Fen Wine, which has become duly effective on 12 May 2011
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange

“PRC”	the People’s Republic of China
“Shanxi Xinghuacun Fen Wine”	Shanxi Xinghuacun Fen Wine Sales Co., Ltd.* (山西杏花村汾酒銷售有限責任公司), a company established in the PRC, whose holding company is Shanxi Xinghuacun Fen Wine Factory Co., Ltd., a company established in the PRC and listed in the Shanghai Stock Exchange in the PRC (Stock Code: 600809)
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the capital of the Company
“Shareholders”	holders of the issued Shares
“Shenzhen Silver Base Trading”	Silver Base Trading and Development (Shenzhen) Co., Ltd. (銀基貿易發展(深圳)有限公司), a subsidiary of the Company, which is principally engaged in the sales of liquor in the PRC and overseas
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplementary Agreement”	the supplementary agreement dated 6 May 2011 to the distribution agreement entered into between Shenzhen Silver Base Trading and Shanxi Xinghuacun Fen Wine, which has become duly effective on 12 May 2011

By Order of the Board
Liang Guoxing
Chairman

Hong Kong, 17 May 2011

* denotes a translation of a Chinese name and/or English name only

As at the date of this announcement, the Board comprises Mr. Liang Guoxing (Chairman), Mr. Guan Huanfei, Mr. Wang Jindong, Mr. Joseph Marian Laurence Ozorio and Ms. Cheung Mei Sze as executive Directors; Mr. Wu Jie Si and Mr. Chen Sing Hung Johnny as non-executive Directors; and Mr. Hung Sui Kwan, Mr. Ma Lishan and Mr. Zhang Min as independent non-executive Directors.