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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)

LETTER OF INTENT IN RELATION TO ACQUISITION OF THE EQUITY INTEREST IN JILIN DAQUANYUAN DISTILLERY CO., LTD.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

LETTER OF INTENT IN RELATION TO ACQUISITION OF THE EQUITY INTEREST IN JILIN DAQUANYUAN DISTILLERY CO., LTD.

On 29 November 2010, the Company and Jilin Daquanyuan entered into the LOI in relation to the potential acquisition of 35% of the equity interest in Jilin Daquanyuan by the Company (the “**Possible Acquisition**”). The Possible Acquisition, if materialises, may constitute a notifiable transaction on the part of the Company under the Listing Rules. Further announcements will be made by the Company regarding the Possible Acquisition under the Listing Rules.

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LETTER OF INTENT IN RELATION TO ACQUISITION OF THE EQUITY INTEREST OF JILIN DAQUANYUAN DISTILLERY CO., LTD.

On 29 November 2010, the Company and Jilin Daquanyuan entered into the LOI in relation to the potential acquisition of 35% of the equity interest in Jilin Daquanyuan by the Company (the “**Possible Acquisition**”). To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquires, Jilin Daquanyuan and its ultimate beneficial owners are Independent Third Parties.

Under the LOI, the Company and Jilin Daquanyuan have expressed their intention that the Company shall acquire 35% equity interest in Jilin Daquanyuan at a consideration of 20% over the net asset value of Jilin Daquanyuan. The Company will be granted exclusive distribution rights of the mid-end and high-end baijiu (白酒) to be

manufactured jointly by the Group and Jilin Daquanyuan, both in the international and PRC markets upon completion of the Possible Acquisition and the Company will have the discretion to select the sales of mid-end and high-end baijiu (白酒) manufactured by Jilin Daquanyuan.

Information on Jilin Daquanyuan

Jilin Daquanyuan is principally engaged in manufacturing of mid-end and high-end baijiu (白酒) under its own brand names.

Others

The Board wishes to emphasize that the LOI is non-legally binding and the Possible Acquisition is subject to, among other things, the signing of formal documents, the terms and conditions of which are not yet agreed between the parties.

The Possible Acquisition, if materialises, may constitute a notifiable transaction on the part of the Company under the Listing Rules. Further announcements will be made by the Company regarding the Possible Acquisition under the Listing Rules. Potential investors and Shareholders are advised to exercise caution when dealing in the Share.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall 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 Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Directors”	directors (including the independent non-executive directors) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Parties”	third party(ies) and their ultimate beneficial owner(s) which is(are) independent of the Company and its connected person(s)
“Jilin Daquanyuan”	Jilin Daquanyuan Distillery Co., Ltd. (吉林省大泉源酒業有限公司), a company incorporated under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LOI”	the letter of intent dated 29 November 2010 entered into by the Company and Jilin Daquanyuan in relation to the Possible Acquisition of 35% of the equity interest in Jilin Daquanyuan
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

By order of the Board
Liang Guoxing
Chairman

Hong Kong, 29 November 2010

As at the date of this announcement, the Board consists Mr. Liang Guoxing (Chairman), 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. Guan Huanfei and Mr. Ma Lishan as independent non-executive Directors.