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CARICO HOLDINGS LIMITED

中汽資源投資有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 729)

- (1) CONNECTED TRANSACTION — ACQUISITION AGREEMENT
AND
(2) CANCELLATION OF THE SHAREHOLDERS' AGREEMENT AND
ENTERING INTO OF THE 2007 SHAREHOLDERS' AGREEMENT**

The Acquisition Agreement

On 15 August 2007, Lucky Metro, being an indirect wholly-owned subsidiary of the Company, as purchaser entered into the Acquisition Agreement with Goodford as vendor, pursuant to which Lucky Metro agreed to acquire from Goodford the Sale Shares (representing 8.06% of the issued share capital of Unicla) for a consideration of HK\$2,500,000.

The Deed of Cancellation

As disclosed in the announcement of the Company dated 8 January 2007, International Auto, Costar, Lucky Metro, Goodford and Unicla entered into the Shareholders' Agreement to cancel the 2005 Shareholders' Agreement and to further regulate their rights and obligations as shareholders of Unicla. On 15 August 2007, International Auto, Costar, Lucky Metro, Goodford and Unicla entered into the Deed of Cancellation to cancel the Shareholders' Agreement and to release and discharge each other from all obligations whatsoever arising thereunder.

The 2007 Shareholders' Agreement

On 15 August 2007, International Auto, Costar, Lucky Metro and Unicla entered into the 2007 Shareholders' Agreement to regulate their rights and obligations as shareholders of Unicla subject to the terms set out therein.

General

Before completion of the Subscription in January 2007 as disclosed in the announcement of the Company dated 8 January 2007, Goodford was interested in 10% of Unicla. The Subscription and the Acquisition were completed within a 12-month period and were treated as if they were one transaction pursuant to Rule 14A.25 of the Listing Rules. In addition, the subject matter under the Acquisition Agreement relates to shares of the same company, i.e. Unicla Shares. Accordingly, Goodford is considered as a connected person of the Company and the Acquisition Agreement is therefore regarded as a connected transaction of the Company under Rule 14A.13 of the Listing Rules. As all the applicable percentage ratios defined under the Listing Rules for the Acquisition are less than 2.5% and the consideration for the Acquisition is less than HK\$10,000,000, the Acquisition is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirements pursuant to Rule 14A.32 of the Listing Rules.

THE ACQUISITION AGREEMENT DATED 15 AUGUST 2007

Parties

Vendor: Goodford Holdings Ltd., a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Luk Chosen, being one of the shareholders of Unicla

To the best knowledge of the Directors, Goodford is an investment holding company. Upon completion of the Subscription, the shareholding of Goodford in Unicla was reduced from 10% to 8.06% and Goodford ceased to be a substantial shareholder of Unicla. Since then, apart from being a 8.06% shareholder of Unicla, Goodford and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

Purchaser: Lucky Metro Trading Ltd., a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company, being one of the shareholders of Unicla

Assets to be acquired

Sale Shares: 2,500,000 issued shares of HK\$1.00 each in the capital of Unicla beneficially owned by Goodford

To the best knowledge of the Directors, the original purchase cost of Goodford (i.e. the subscription price paid by Goodford) for the Sale Shares amounts to HK\$2,500,000.

Consideration, payment and completion

The consideration for the Sale Shares of HK\$2,500,000 shall be payable by Lucky Metro to Goodford by cheque upon completion of the Acquisition Agreement, which took place on the date of the Acquisition Agreement.

The consideration for the Sale Shares was negotiated and determined on an arm's length basis between Lucky Metro and Goodford and with reference to the par value of each Unicla Share. The consideration was financed by internal resources of the Group.

CHANGE OF SHAREHOLDING STRUCTURE OF UNICLA

The shareholding structures of Unicla before completion of the Subscription, and before and after the Acquisition are as follows:

	Shareholding structure of Unicla before completion of the Subscription		Existing shareholding structure of Unicla		Shareholding structure of Unicla upon completion of the Acquisition	
	<i>Number of Unicla Shares held</i>	<i>Approximate %</i>	<i>Number of Unicla Shares held</i>	<i>Approximate %</i>	<i>Number of Unicla Shares held</i>	<i>Approximate %</i>
Lucky Metro	13,250,000	53.00	19,250,000	62.10	21,750,000	70.16
International Auto	8,000,000	32.00	8,000,000	25.81	8,000,000	25.81
Goodford	2,500,000	10.00	2,500,000	8.06	—	—
Costar	1,250,000	5.00	1,250,000	4.03	1,250,000	4.03
Total	<u>25,000,000</u>	<u>100.00</u>	<u>31,000,000</u>	<u>100.00</u>	<u>31,000,000</u>	<u>100.00</u>

INFORMATION ON UNICLA

Unicla engages in investment, trading and manufacturing of compressor business. Unicla was incorporated in Hong Kong on 18 July 2005. At the time of incorporation, Unicla was owned by Lucky Metro, International Auto, Costar and Goodford as to 30%, 32%, 28% and 10% respectively. In December 2005, Lucky Metro acquired Unicla Shares from Costar at par and its shareholding percentage in Unicla was increased from 30% to 53%. Upon completion of the Subscription in January 2007, the shareholding percentage of Lucky Metro in Unicla was further increased from 53% to 62.10%. Apart from being a subsidiary, Unicla at present has no business transactions with the Group.

In 2006, the Group successfully dismantled all equipment from a factory in Nagoya, Japan and relocated the same in Dongguan, Guangdong Province of the PRC. In mid 2006, the Group's auto parts processing factory commenced scale production of air conditioning compressors which were marketed under the Japanese brand name of "Unicla". The air conditioning compressors were readily received by its customers in different countries such as the United States, Australia, Europe and Japan. Currently, the Group, through its subsidiary, owns the trademarks of "Unicla" in 20 countries and the patents of "Unicla" products in Japan, Korea, Germany and the United States. In May 2007, the processing factory was granted the international quality certification ISO9001:2000. It is estimated that the annual production capacity of the processing factory can reach 21,000 units of compressors under fully operative conditions.

Based on the audited financial statements of Unicla, the audited losses before and after taxation for the period from the date of incorporation up to 31 March 2006 were both approximately HK\$6.72 million. Based on the audited financial statements of Unicla, the audited losses before

and after taxation for the year ended 31 March 2007 were approximately HK\$11.99 million and HK\$12.04 million respectively. The unaudited net assets of Unicla as at 30 June 2007 were approximately HK\$8.57 million.

REASONS FOR THE ACQUISITION

The Group is principally engaged in trading and manufacturing of automotive components, investment in securities and provision of securities brokerage services.

As mentioned in the 2007 annual report of the Company, the management will review its existing businesses from time to time and strive to improve the business operation and financial position of the Group. The objective of the Group is to establish a solid platform to invest in business sectors providing high growth through acquisition and development of projects with promising future. As Unicla has only commenced its full operation since end of 2006, Unicla is still operating a loss. After taking into account the premier quality of Unicla's products and its internationally renowned brand name and the potential production capacity, the Directors expect that the production volume and sales of Unicla will increase and Unicla will have the potential to breakeven or contribute income to the Group in the future. Given the growth potential of the automobile businesses in the PRC and the future earnings potential of Unicla after its trial operation in end of 2006, the Board is of the view that the Acquisition is in line with the business strategy of the Group and will enable the Group to further increase its exposure in the automotive components business.

The Directors (including independent non-executive Directors) consider that the Acquisition Agreement and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of the business of the Group, and the terms and conditions of the Acquisition Agreement are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

THE DEED OF CANCELLATION

As disclosed in the announcement of the Company dated 8 January 2007, International Auto, Costar, Lucky Metro, Goodford and Unicla entered into the Shareholders' Agreement to cancel the 2005 Shareholders' Agreement and to further regulate their rights and obligations as shareholders of Unicla. On 15 August 2007 International Auto, Costar, Lucky Metro, Goodford and Unicla entered into the Deed of Cancellation to cancel the Shareholders' Agreement and to release and discharge each other from all obligations whatsoever arising thereunder, pursuant to which the parties agree, inter alia, to waive their respective pre-emptive right to acquire the Sale Shares under the Shareholders' Agreement.

THE 2007 SHAREHOLDERS' AGREEMENT DATED 15 AUGUST 2007

On 15 August 2007, International Auto, Costar, Lucky Metro and Unicla entered into the 2007 Shareholders' Agreement to regulate their rights and obligations as shareholders of Unicla subject to the terms set out therein, inter alia, the following:

- (i) In the event that a shareholder of Unicla shall sell or otherwise transfer or dispose of its Unicla Shares, such selling shareholder must first offer these Unicla Shares to the other shareholders of Unicla at the price and on the terms and conditions to be agreed between the

selling shareholder and the other shareholders. For the avoidance of doubt, no first offer of such Unicla Shares to the shareholders of Unicla is required for the transfer of Unicla Shares between any two shareholders of Unicla.

- (ii) In the event that a shareholder of Unicla shall sell or otherwise transfer or dispose of its Unicla Shares to an unaffiliated third party, such shareholder must offer these Unicla Shares at a price which is equal to or greater than the price offered to other shareholders of Unicla and at the terms which are no less favourable than those offered to other shareholders of Unicla.
- (iii) It shall be a condition precedent to the right of any shareholder of Unicla to transfer any Unicla Shares that: (a) the transferee (if not already bound by the provisions of the 2007 Shareholders' Agreement) executes a deed of adherence under which the transferee shall agree to be bound by the 2007 Shareholders' Agreement as if an original party thereto; and (b) in the case of a transfer of part of the Unicla Shares of a shareholder, a proportionate part of the loans or guarantees made to or given on behalf of Unicla by the transferor and for the time being outstanding shall be transferred.
- (iv) In the event that Unicla shall engage in any material disposals of business or assets of Unicla to independent third party, such sale price shall be calculated with reference to the then net asset value of Unicla as determined by an independent professional valuer appointed by Unicla. For this purpose, a "material disposal" means a single disposal which has a book value of more than HK\$2,000,000 or a series of disposals of the same nature took place within a period of 12 months which in aggregate has a book value of more than HK\$5,000,000.

GENERAL

Before completion of the Subscription in January 2007 as disclosed in the announcement of the Company dated 8 January 2007, Goodford was interested in 10% of Unicla. The Subscription and the Acquisition were completed within a 12-month period and were treated as if they were one transaction pursuant to Rule 14A.25 of the Listing Rules. In addition, the subject matter under the Acquisition Agreement relates to shares of the same company, i.e. Unicla Shares. Accordingly, Goodford is considered as a connected person of the Company and the Acquisition Agreement is therefore regarded as a connected transaction of the Company under Rule 14A.13 of the Listing Rules. As all the applicable percentage ratios defined under the Listing Rules for the Acquisition are less than 2.5% and the consideration for the Acquisition is less than HK\$10,000,000, the Acquisition is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirements pursuant to Rule 14A.32 of the Listing Rules.

DEFINITIONS

“2005 Shareholders’ Agreement”	the shareholders’ agreement dated 15 December 2005 entered into among International Auto, Costar, Lucky Metro, Goodford and Unicla to regulate their rights and obligations as shareholders of Unicla
“2007 Shareholders’ Agreement”	the shareholders’ agreement dated 15 August 2007 entered into among International Auto, Costar, Lucky Metro and Unicla to regulate their rights and obligations as shareholders of Unicla
“Acquisition”	the acquisition of the Sale Shares from Goodford by Lucky Metro pursuant to the Acquisition Agreement
“Acquisition Agreement”	the sale and purchase agreement dated 15 August 2007 between Lucky Metro and Goodford, pursuant to which Lucky Metro agreed to acquire from Goodford the Sale Shares
“Board”	the board of Directors
“Company”	Carico Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Costar”	Costar Universal Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Ms. Yee Wai Chung Joan and an investment holding company, being one of the shareholders of Unicla. Ms. Yee Wai Chung Joan is the daughter of Mr. Yee Pui Jic
“Deed of Cancellation”	the deed of cancellation dated 15 August 2007 entered into among International Auto, Costar, Lucky Metro, Goodford and Unicla to cancel the Shareholders’ Agreement
“Director(s)”	the director(s) of the Company
“Goodford”	Goodford Holdings Ltd., a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Luk Chosen and an investment holding company, being one of the shareholders of Unicla
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“International Auto”	International Auto Engineering Limited, a company incorporated in Hong Kong with limited liability and owned as to 78.78% by Mr. Yee Pui Jic, as to 10.56% by Mr. Tam Kim Hung, as to 4% by Mr. Yeo Bin Bin, as to 3.33% by Mr. Lam Shun Chiu and 3.33% by Mr. Cheng Sheung Tat, and a distributor of garage equipment, auto air-conditioning and engine and parts, being one of the shareholders of Unicla. Mr. Yee Pui Jic is the father of Ms. Yee Wai Chung Joan

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lucky Metro”	Lucky Metro Trading Ltd., a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company, being one of the shareholders of Unicla
“PRC”	the People’s Republic of China
“Sale Shares”	the 2,500,000 issued shares of HK\$1.00 each in the capital of Unicla beneficially owned by Goodford
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares issued for the time being
“Shareholders’ Agreement”	the shareholders’ agreement dated 4 January 2007 entered into among International Auto, Costar, Lucky Metro, Goodford and Unicla to regulate their rights and obligations as shareholders of Unicla
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of 6,000,000 Unicla Shares by Lucky Metro under the subscription agreement dated 4 January 2007
“Unicla”	Unicla International Limited, a company incorporated in Hong Kong with limited liability
“Unicla Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of Unicla
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Carico Holdings Limited
So George Siu Ming
Executive Director & Chief Financial Officer

Hong Kong, 17 August 2007

*As at the date of this announcement, the Board comprises Mr. Ryoji Furukawa[#] (Chairman), Mr. Yip Chi Chiu^{**} (Deputy Chairman and Chief Executive Officer), Mr. Lo Wing Yat^{**}, Mr. Leung Chung Tak, Barry^{**} (Chief Operating Officer and Chief Project Officer), Mr. So George Siu Ming^{**} (Chief Financial Officer), Mr. Chak Chi Man[#], Mr. Ryuichi Tanabe[#], Mr. Takehiko Wakayama[#], Mr. Wong Kwok Kuen[#], Mr. Chan Yuk Tong^{##}, Mr. Fei Tai Hung^{##} and Mr. Tse Kam Fow^{##}.*

^{**} *executive Directors*

[#] *non-executive Directors*

^{##} *independent non-executive Directors*

^{*} *For identification purposes only*