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Meadville Holdings Limited
美維控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 3313

MAJOR TRANSACTION

**ACQUISITIONS
AND RESUMPTION OF TRADING**

On 8 November 2007, the Company and its subsidiaries entered into the following contracts:

- (1) HoldCo Acquisition Agreement between the Company and Aspocomp, an independent third party, pursuant to which the Company has conditionally agreed to procure SPV to purchase from Aspocomp the Sale Shares (representing 80% of the issued share capital of HoldCo as at the HoldCo Acquisition Closing) for a consideration of approximately EUR61.53 million (equivalent to approximately HK\$702 million) with adjustment as disclosed in the paragraph headed "HoldCo Acquisition – Consideration" of this announcement below;
- (2) Oulu Acquisition Agreement between the Company and Aspocomp Oy, pursuant to which the Company has conditionally agreed to procure SPV to purchase from Aspocomp Oy a 10% equity interest in Aspocomp Oulu for a consideration of approximately EUR1.83 million (equivalent to approximately HK\$21 million); and
- (3) Equipment Acquisition Agreement between Meadville Enterprises, a wholly-owned subsidiary of the Company, and Aspocomp Oy, pursuant to which Meadville Enterprises has conditionally agreed to purchase certain production equipment for a consideration of approximately EUR1.61 million (equivalent to approximately HK\$18 million).

By way of the Acquisitions, the Company expects to further enhance the high-end HDI-PCB technology, expand further the top-tier customer base, globalize the manufacturing base, and with the strategic alliance with Aspocomp Group, gain immediate access to the sales network in Northern Europe. Nevertheless, completion of each of the above Acquisitions depends on satisfaction of the conditions precedents disclosed in this announcement below. The Acquisitions, together with (i) the put option to be granted by SPV to Aspocomp and the call option to be granted by Aspocomp to SPV at the HoldCo Acquisition Closing and (ii) the transfer of the IP Rights from the Aspocomp Group to the Group under the IP Rights Transfer Agreement at the HoldCo Acquisition Closing, constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the approval of the shareholders of the Company.

Since no shareholders of the Company is interested in the Acquisitions, none of them is required to abstain from voting if a general meeting of the Company is convened to approve the Acquisitions. According to Rule 14.44 of the Listing Rules and assuming that the accountants' report on HoldCo and its subsidiaries to be included in the Circular contains no qualified opinion, a written approval from the Company's majority shareholder(s) is accepted in lieu of a majority vote at a general meeting of the Company to approve the Acquisitions. Accordingly, the Company has obtained from Su Sih (BVI) Limited, which holds, directly and indirectly, approximately 56.78% of the issued share capital of the Company, a written approval of the Acquisitions and other related transactions contemplated by the relevant transaction documents. Although it is currently not anticipated that qualified opinion will be included in the accountants' report on HoldCo and its subsidiaries which is in preparation, the Company will include in the Circular a notice of convening a general meeting to approve the Acquisitions should the accountants' report contain qualified opinion.

The Circular, which will contain, among other things, further details of the Acquisitions and other related transactions, will be dispatched to the shareholders of the Company as soon as practicable.

Trading in the shares of the Company has been suspended at the request of the Company commencing at 9:30 a.m. on 9 November 2007 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:30 a.m. on 19 November 2007.

HOLDCO ACQUISITION

Contract: the HoldCo Acquisition Agreement

Date: 8 November 2007

Parties:

1. the Company (as purchaser through SPV); and
2. Aspocomp (as seller)

To the best of the Company's knowledge, information and belief and having made all reasonable enquiries, Aspocomp and its controlling shareholder are independent third parties not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

Assets to be acquired:

The Sale Shares, representing 80% of the issued share capital of HoldCo as at the HoldCo Acquisition Closing.

Particulars of HoldCo is set out in the paragraph headed "Information on the Assets to be Acquired under the Acquisitions" below.

Consideration:

The consideration for the sale and purchase of the Sale Shares shall be EUR61.53 million (equivalent to approximately HK\$702 million) with adjustment by adding the aggregate cash balance but minus the aggregate net indebtedness (excluding any shareholders loan) of ACPE (a subsidiary of HoldCo after Restructuring) as extracted from the audited or unaudited balance sheet of ACPE as at 16 November 2007 available on the HoldCo Acquisition Closing.

According to the HoldCo Acquisition Agreement, whether an audited or unaudited balance sheet will be adopted for closing purposes depends on whichever shall have been become available by that time. Due to the time constraint for closing, the parties believe that unaudited balance sheet will be the first one becoming available for closing purposes. As at the date of this announcement, the Company does not expect that there is material difference between the audited and unaudited balance sheet in relation to the aforesaid adjustment. The Company will re-comply with the relevant requirements of the Listing Rules should the adjustment due to cash and indebtedness balances lead to higher clarification of transaction.

The consideration was arrived at after arm's length negotiations between the Company and Aspocomp and having regard to the value of each of the following assets to be owned 100% by HoldCo on the HoldCo Acquisition Closing:

- (i) the enterprise value of ACPE, being approximately EUR57.66 million (equivalent to approximately HK\$658 million), which is calculated based on an enterprise value multiplier 5.65 times of the average of the earnings before interest, taxation, depreciation and amortization ("EBITDA") for the financial year ended 31 December 2006 as per ACPE's unaudited management accounts and the annualized EBITDA for the financial year ending 31 December 2007 as per ACPE's unaudited management accounts for the eight months ended 31 August 2007 and subject to the netting off of net cash and/or any indebtedness as mentioned in the above paragraph setting out the consideration;

The above enterprise value multiplier (i.e. 5.65 times) was determined after arm's length negotiations between the Company and Aspocomp with reference to the Group's enterprise value multiplier of approximately 5.6 times based on the interim results for 2007 of the Group. The Directors consider that enterprise value multiplier pricing model (with zero cash and indebtedness amounts) is an appropriate valuation basis (rather than other financial ratios, such as net asset value, price-to-book ratio and price-earning ratio) for the following reasons : (i) there is no close correlation between asset value and profit generating capability of PCB manufacturing operation; (ii) there is a wide range of profit margin in PCB manufacturing operations based on different technology such that price-to-book ratio is not applicable to PCB industry; and (iii) the calculation formula based on the enterprise value multiplier does not take into account of cash and indebtedness amounts, which amounts are frustrating in nature and difficult to predict. The Group's enterprise value multiplier based on the 2007 results was made as a reference because it was difficult for the parties to agree on the market comparables due to the wide range of the enterprise value multipliers of different PCB-manufacturing businesses based on different technology and operated in different places in the world. The Directors consider that the basis of determination of the enterprise value multiplier is fair and reasonable.

- (ii) the actual expenditure of approximately EUR4.8 million (equivalent to approximately HK\$55 million) spent on ACI since its incorporation in 2006; and
- (iii) valuation of the equipment to be transferred by Aspocomp Oy to HoldCo pursuant to the Salo Equipment Agreement, where such equipment is valued at the net book value of EUR14.46 million (equivalent to approximately HK\$165 million) as at 31 October 2007.

The Directors consider that the basis of determination of the consideration for the HoldCo Acquisition is fair and reasonable.

The consideration for the HoldCo Acquisition, together with the consideration for the Oulu Acquisition and the consideration for the Equipment Acquisition disclosed below, will be financed by internal resources of the Group and external bank financing.

Conditions precedent:

The HoldCo Acquisition Closing is conditional upon the satisfaction (or waiver by the Company as the case may be) of the following conditions:

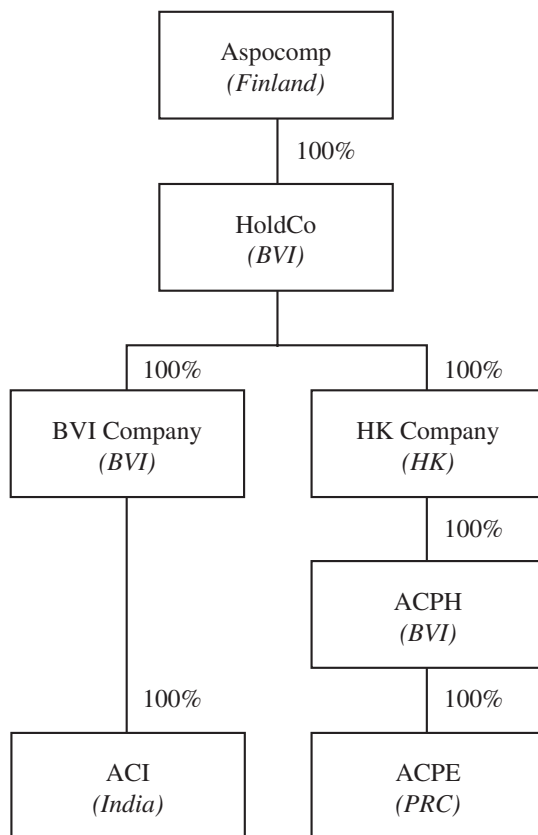
- (1) completion of the Restructuring, to the Company's satisfaction, immediately on the HoldCo Acquisition Closing;
- (2) the passing at the extraordinary general meeting of Aspocomp of a resolution to approve the transactions contemplated by the HoldCo Acquisition Agreement;
- (3) Aspocomp and HoldCo having delivered to the Company all necessary consents, waivers and approvals of any governmental or regulatory bodies; and any banks, creditors (other than SCB) from which Aspocomp and/or its subsidiaries are obliged to seek consents, waivers and approvals, to consummate the transactions contemplated by the relevant transaction documents;
- (4) the issue of a letter, to the reasonable satisfaction of the Company, by SCB (and/or its affiliate(s)) (i) giving consent to the Restructuring and the other transactions contemplated by the HoldCo Acquisition Agreement; and (ii) undertaking that it will release the SCB Securities and the ACPE Working Capital Facilities Security upon receipt of repayment of the SCB Loan Facility Amount and the SCB Working Capital Repayment Amount;
- (5) the receipt by the Company to its reasonable satisfaction of a legal opinion letter confirming that (i) the relevant transaction documents entered or to be entered into by Aspocomp and its subsidiaries are legally binding and enforceable against them; (ii) the Restructuring has been duly completed; and (iii) no approvals, consents and requirements other than the consents, waivers and approvals referred to in condition (3) above are required for the transactions contemplated by the relevant transaction documents;
- (6) the representations and warranties of Aspocomp under the HoldCo Acquisition Agreement remaining true and not misleading in any material respect at the HoldCo Acquisition Closing;

- (7) that since the date of the HoldCo Acquisition Agreement, there shall have been no event (which has not been waived or cured) giving rise to action and/or enforcement of security by any commercial lender or creditor of Aspocomp and/or any member of the HoldCo Group and there shall not have occurred any events which materially and adversely affect, the business, prospects, operations or position, financial or otherwise, of the HoldCo Group; and
- (8) the approval by the Company's shareholders of the transactions contemplated by the relevant transaction documents as and if required by the Listing Rules.

If any of the above conditions are not fulfilled or waived by 28 November 2007 or immediately before the HoldCo Acquisition Closing to the extent that any of the above conditions is required to be, or can only be, satisfied immediately before the HoldCo Acquisition Closing (or such other date as the parties may agree in writing), the HoldCo Acquisition Agreement shall lapse automatically.

Restructuring undertaken by Aspocomp:

Aspocomp will undertake the Restructuring so that the HK Company, the BVI Company, ACPE and ACI will become subsidiaries of HoldCo before or immediately before the HoldCo Acquisition Closing. The corporate structure of HoldCo immediately after the Restructuring is as follows:

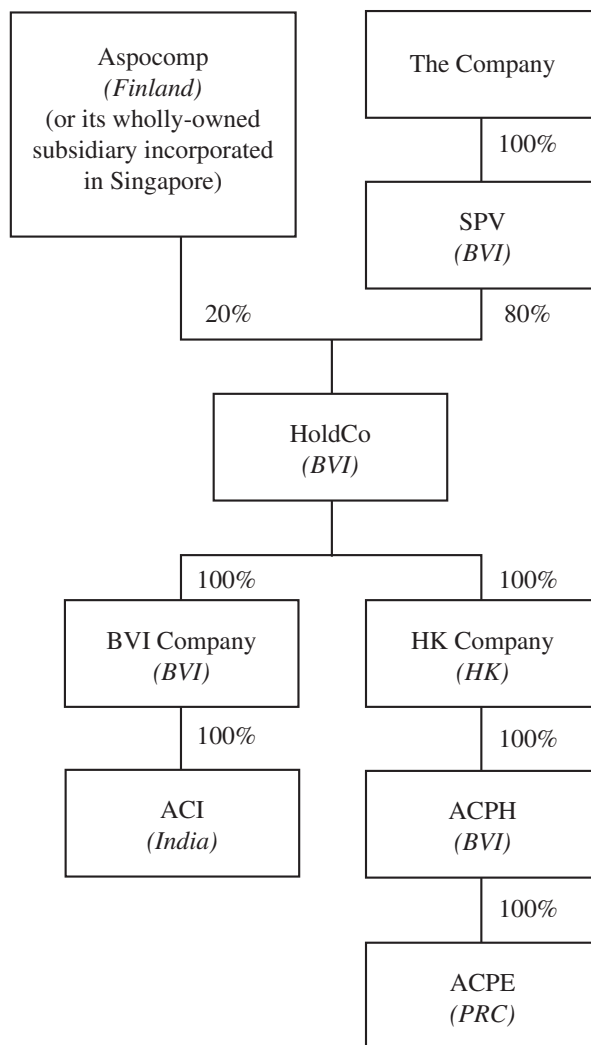


In addition, Aspocomp will procure that the title to certain second hand industrial equipment, as particularized in the Salo Equipment Agreement, shall be transferred from Aspocomp Oy to HoldCo immediately before the HoldCo Acquisition Closing. The equipment is for production of HDI-PCB by HoldCo Group after the HoldCo Acquisition Closing.

HoldCo Acquisition Closing:

The HoldCo Acquisition Closing will take place on the 2nd business day after the above conditions precedent having been satisfied or waived (or such other date as the parties may agree in writing), or to the extent that any of the above conditions precedent is required to be, or can only be, satisfied immediately before the HoldCo Acquisition Closing, then the HoldCo Acquisition Closing shall follow immediately thereafter.

Upon the HoldCo Acquisition Closing, SPV and Aspocomp (or one of its wholly-owned subsidiary incorporated in Singapore) will hold 80% and 20% of the issued share capital of HoldCo respectively. The corporate structure of HoldCo immediately following the HoldCo Acquisition Closing is as follows:



Consequential transaction documents

Immediately before the HoldCo Acquisition Closing, the Salo Equipment Agreement will be entered into between Aspocomp Oy as seller and HoldCo as purchaser for the sale and purchase of certain second hand industrial equipment in relation to production of PCB for a total consideration of approximately EUR14.46 million (equivalent to approximately HK\$165 million) which will be satisfied by HoldCo by way of issue of its own shares to Aspocomp. The completion of the Salo Equipment Agreement will take place immediately before the HoldCo Acquisition Closing.

Upon the HoldCo Acquisition Closing, the following transaction documents, as part and parcel of the HoldCo Acquisition, will be entered into by the parties mentioned below:–

- (1) The HoldCo Shareholders Agreement between Aspocomp, SPV and HoldCo, the principal term of which are to be as follows:
 - (a) The principal business of the HoldCo Group shall be the design and manufacture of HDI-PCB as well as services that support customers' product design and production start-up, and such other business as the shareholders may agree from time to time.
 - (b) The board of directors of HoldCo shall comprise 6 directors, of whom 4 directors shall be appointed by SPV and 2 directors shall be appointed by Aspocomp (or one of its wholly-owned subsidiary incorporated in Singapore). The board of directors of HoldCo shall be responsible for the overall direction and the management of the HoldCo Group.
 - (c) The shareholders of HoldCo intend that the HoldCo Group should be self-financing and should obtain additional funds from banks or other financial institutions. The shareholders are not obliged to contribute further funds for the HoldCo Group's benefit unless they agree on the amount and method of providing the finance. Should the shareholders agree to contribute further financing to or participate in any guarantee or similar undertaking for HoldCo, they shall make it in accordance with their respective equity proportions.
 - (d) Save for intra-group transfers, any transfer of shares in HoldCo by either shareholder shall be subject to the first right of refusal to purchase on the same terms by the other.
 - (e) If SPV proposes to sell its shareholding in HoldCo to a third party, it shall ensure that such third party offers to buy Aspocomp's shareholding in HoldCo on the same terms. If SPV transfers its shareholding in HoldCo to a third party, it may require Aspocomp to transfer to that third party the shareholding in HoldCo held by Aspocomp on the same terms as the sale by SPV.

(2) The Option Deed between Aspocomp (or one of its wholly-owned subsidiary incorporated in Singapore, and for the purpose of this paragraph (2) only, the term “Aspocomp” may refer to either Aspocomp or one of its wholly-owned subsidiary incorporated in Singapore), SPV and the Company, pursuant to which SPV will grant to Aspocomp a put option, and Aspocomp will grant to SPV a call option, on the following major terms:

(a) By virtue of the put option, Aspocomp will be entitled to require SPV to purchase its shareholding in HoldCo in the period from 2013 to 2023 at the price determined by the following formula. The put option may be exercised by Aspocomp at any time during the 30-day period following the day when HoldCo delivers to Aspocomp and SPV the audited accounts of each member of the HoldCo Group for the preceding financial year.

The price shall be equal to the greater of the following:

(i) $0.20 \times \{(EVM \times EBITDA) + C - D\}$; and

(ii) $0.20 \times NAV$

provided that the price shall not be less than the minimum price of approximately EUR15.38 million (equivalent to approximately HK\$175 million) plus interest which will accrue at the rate of 2.5% per annum during the period commencing on the date of the Option Deed and ending on the exercise date, compounded annually;

where EVM means the enterprise value multiplier of 5.5 times (which was determined after arm’s length negotiations between the Company and Aspocomp with reference to the Group’s enterprise value multiplier. The Directors consider that the basis of determination of the EVM is fair and reasonable);

EBITDA means the earnings before interest, tax, depreciation and amortisation of HoldCo as extracted from its audited consolidated profit and loss account for the financial year ending immediately prior to the exercise date;

C means the amount of the aggregate cash of the HoldCo Group as extracted from either the audited consolidated balance sheet or the unaudited consolidated balance sheet of the HoldCo Group as at the close of the financial year immediately prior to the exercise date, whichever shall have most recently been delivered to Aspocomp as at the exercise date;

D means the amount of the aggregate net indebtedness of the HoldCo Group (excluding the amount of any shareholders loans) as extracted from either the audited consolidated balance sheet or the unaudited consolidated balance sheet of the HoldCo Group, whichever shall have most recently been delivered to Aspocomp as at the exercise date; and

NAV means the consolidated fixed assets and current assets of the HoldCo Group (including cash and investments in and loans to associated companies) less consolidated total liabilities of the HoldCo Group (including, for the avoidance of doubt, both current and deferred tax liabilities) as extracted from the audited balance sheet of the HoldCo Group as at the close of the financial year immediately prior to the exercise date.

- (b) By virtue of the call option, SPV will be entitled to require Aspocomp to sell Aspocomp's shareholding in HoldCo to SPV in the period from 2013 to 2023 at the option price determined by the formula in 2(a) above. The call option may be exercised by SPV at any time during the 30-day period following the day when HoldCo delivers to Aspocomp and SPV the audited accounts of each member of the HoldCo Group for the preceding financial year.

According to Rule 14.74 (1) of the Listing Rules, the put option will be treated as if it is exercised on the date of grant of the put option (i.e. on the date of the HoldCo Acquisition Closing). Pursuant to the above formula for determining the price, the highest possible value attributed to the assets under the put option as exercised, which alone will not constitute a major transaction for the Company, has been aggregated with the consideration for the Acquisitions for determining that the Acquisitions (including the put and call options) altogether will constitute a major transaction for the Company.

- (3) The IP Rights Transfer Agreement among Aspocomp, Aspocomp Oy and Meadville Enterprises for the transfer by the former two parties to the latter party of certain patent rights, unregistered technologies and trade marks for a nominal consideration of EUR1 to Aspocomp and Aspocomp Oy respectively.
- (4) The IP Rights Licence Agreement between Meadville Enterprises and HoldCo whereby Meadville Enterprises will grant to HoldCo a licence free of charge to use the patent rights and unregistered technologies obtained under IP Rights Transfer Agreement for a period commencing on the date of this agreement until termination by two days' written notice by either party as a result of (i) Aspocomp (or one of its wholly-owned subsidiary incorporated in Singapore) ceases to hold at least 10% of the issued share capital of HoldCo, or (ii) Meadville Enterprises ceases to hold at least 50% of the issued share capital of HoldCo. Meadville Enterprises may also terminate the licence if the licensee is in breach of any terms of the IP Rights Licence Agreement.
- (5) The Sales Commission Agreement among Aspocomp, OPC and HoldCo, the principal terms of which are:
 - (a) At any time during the period of 14 months after the date of the Sales Commission Agreement (the "Initial Period"), if any sales representatives employed by Aspocomp but seconded to the customer relation units of any member of the HoldCo Group refers to any member of the Group a purchase order received by a member of the HoldCo Group from a customer thereof, which HoldCo Group member has insufficient capacity to fulfil that purchase order, OPC shall pay to HoldCo a commission equal to 5% of the actual proceeds of sale received by any member of the Group with respect to that purchase order.

- (b) At any time after the Initial Period up to a period of 22 months commencing from the end of the Initial Period, any member of the HoldCo Group refers to any member of the Group a purchase order received by a member of the HoldCo Group from a customer thereof, which HoldCo Group member has insufficient capacity to fulfil that purchase order, OPC shall pay to HoldCo a commission equal to 10% of the actual proceeds of sale received by any member of the Group with respect to that purchase order.
- (c) At any time during the 3 years' period commencing from the date of the Sale Commission Agreement, any member of the HoldCo Group refers to any member of the Aspocomp Group a purchase order received by a member of the HoldCo Group from a customer thereof, which HoldCo Group member has insufficient capacity to fulfil that purchase order, Aspocomp shall pay to HoldCo a commission equals to 10% of the actual proceeds of sale received by any member of the Aspocomp Group with respect to that purchase order.
- (d) At any time during the Initial Period, if any sales representatives employed by Aspocomp but seconded to the customer relation units of any member of the HoldCo Group refers to any member of the Group a purchase order for the supply of HDI-PCB in circumstances where that member of the HoldCo Group has insufficient capacity to fulfil that purchase order, OPC shall pay to Aspocomp a commission equal to 5% of the actual proceeds of sale received by any member of the Group with respect to that purchase order.
- (e) At any time during the 3 years' period commencing from the date of the Sale Commission Agreement, any member of the Aspocomp Group refers to any member of the Group a purchase order received by a member of the Aspocomp Group from a customer thereof for the supply of HDI-PCB, OPC shall pay to Aspocomp a commission equal to 10% of the actual proceeds of sale received by any member of the Group with respect to that purchase order.
- (f) At any time during the 3 years' period commencing from the date of the Sale Commission Agreement, any member of the Aspocomp Group refers to any member of the HoldCo Group a purchase order received by a member of the Aspocomp Group from a customer thereof for the supply of HDI-PCB (but not limited to HDI-PCB), HoldCo shall pay to Aspocomp a commission equal to 10% of the actual proceeds of sale received by any member of the HoldCo Group with respect to that purchase order.
- (g) At any time after the date of the Sale Commission Agreement, any member of the Group refers to any member of the HoldCo Group a purchase order received by a member of the Group from a customer thereof for the supply of HDI-PCB, HoldCo shall pay to OPC a commission equal to 10% of the actual proceeds of sale received by any member of the HoldCo Group with respect to that purchase order.

- (h) At any time during the 3 years' period commencing from the date of the Sale Commission Agreement, any member of the Group refers to any member of the Aspocomp Group a purchase order received by a member of the Group from a customer thereof for the supply of HDI-PCB, Aspocomp shall pay to OPC a commission equal to 10% of the actual proceeds of sale received by any member of the Aspocomp Group with respect to that purchase order.

The commission payable to each other between the Aspocomp Group and the Group (including the HoldCo Group) may constitute continuing connected transactions for the Company after the HoldCo Acquisition Closing. Nevertheless, the Sales Commission Agreement is part and parcel of the HoldCo Acquisition and has been approved in writing by Su Sih (BVI) Limited, which holds, directly and indirectly, approximately 56.78% of the issued share capital of the Company. In addition, the annual caps for the commission payable to each other between the Aspocomp Group and the Group (including the HoldCo Group) as set out below is less than HK\$10 million for each the 3 years' period commencing from the date of the Sale Commission Agreement and each of the applicable ratios is less than 2.5%. Accordingly, the continuing connected transactions as contemplated by the Sales Commission Agreement is only subject to the reporting and announcement requirements and is exempt the independent shareholders requirement. Accordingly, the Company will ensure that the particulars of the payment of commission between the Aspocomp Group and the Group (including the HoldCo Group) for each financial year under the Sales Commission Agreement will be included in the Company's annual report for the relevant financial year.

Since there are no historical figures for the payment of commission between the Aspocomp Group and the Group (including the HoldCo Group), the following annual caps for the commission payable to each other between the Aspocomp Group and the Group (including the HoldCo Group) are based on the expectation that the annual total turnovers resulting from the referrals of business between the Aspocomp Group and the Group (including the HoldCo Group) would be approximately 1-2% of the expected annual total turnovers of the Group (including the HoldCo Group) in the following forthcoming years:

For the financial year ending 31 December 2008: approximately HK\$7.90 million*
For the financial year ending 31 December 2009: approximately HK\$8.45 million
For the financial year ending 31 December 2010: approximately HK\$9.49 million

- * Since there will be no transactions in the last one month of 2007 after the expected signing of the Sale Commission Agreement at the end of November 2007, there is no annual cap for the financial year ending 31 December 2007.

The reason for the entering into the Sales Commission Agreement at the HoldCo Acquisition Closing is that it is part and parcel of, and conducive to, the HoldCo Acquisition. Further, the arrangements contemplated by the Sales Commission Agreement will enable the Group (including the HoldCo Group after the HoldCo Acquisition Closing) to maximize the utilization of the production capacity of the Group (including the HoldCo Group after the HoldCo Acquisition Closing). Therefore, the Directors (including the independent non-executive Directors) consider that the entering into the Sales Commission Agreement is in the ordinary and usual course of business of the Group and the terms of

the Sales Commission Agreement are on normal commercial terms and are in the interest of the Group and the shareholders of the Company as a whole. Should the market make available such an opportunity, the Company will consider that it is in its interest for the Group to enter into similar agreement with independent third party with terms not less favourable than those in the Sales Commission Agreement.

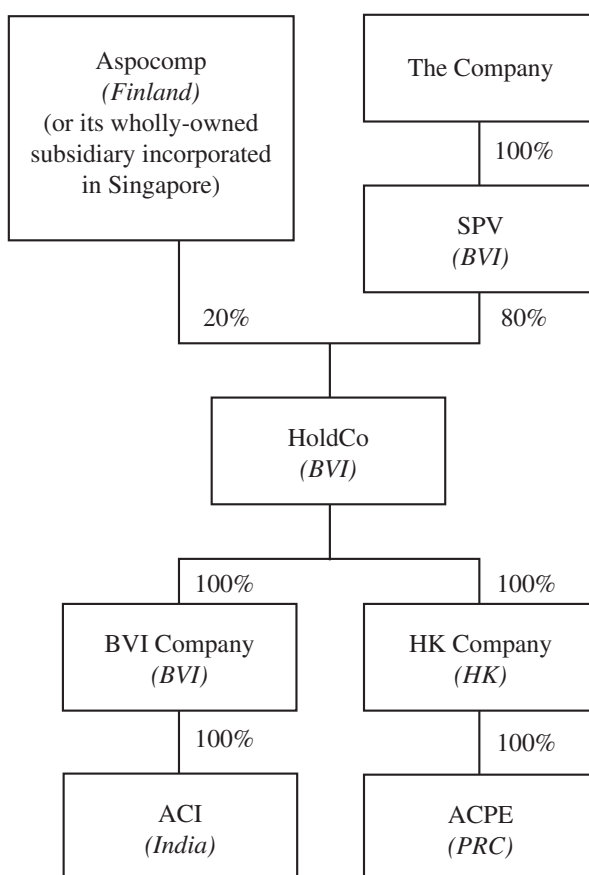
- (6) the Share Charge to be executed by Aspocomp in favour of the Company for the purpose of securing any claims to be made by the Company under the HoldCo Acquisition Agreement for a period of 3 years commencing from the date of the Share Charge.

Post HoldCo-Acquisition Restructuring:

After the HoldCo Acquisition Closing, Aspocomp, HoldCo, the HK Company and ACPH will act to give effect to the following:

- (1) the 100% equity interest in ACPE shall be transferred from ACPH to the HK Company; and
- (2) immediately following completion of the transfer mentioned in (1) above, the HK Company will transfer the entire issued shares of ACPH to Aspocomp or its nominee for a nominal consideration.

The corporate structure of HoldCo and its subsidiaries immediately after the above transfers will be as follows:



It has always been the Company's intention that ACPH should not be a part of the HoldCo Acquisition due to tax structure reason. However, due to the tight time constraint for the closing of the Acquisitions, both the Company and Aspocomp agreed that ACPH shall be transferred out of the Holdco Group to Aspocomp in the Post HoldCo-Acquisition Restructuring.

OULU ACQUISITION

Contract: the Oulu Acquisition Agreement

Date: 8 November 2007

Parties:

1. the Company (as purchaser through SPV); and
2. Aspocomp Oy (as seller)

To the best of the Company's knowledge, information and belief and having made all reasonable enquiries, Aspocomp Oy, a wholly-owned subsidiary of Aspocomp, is an independent third party not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

Assets to be acquired:

Shares in Oulu representing 10% of the issued shares of Aspocomp Oulu.

Particulars of Aspocomp Oulu is set out in the paragraph headed "Information on the Assets to be Acquired under the Acquisitions" below.

Consideration:

The consideration for the 10% of the issued shares of Aspocomp Oulu shall be approximately EUR1.83 million (equivalent to approximately HK\$21 million).

The consideration was arrived at after arm's length negotiations between the Company and Aspocomp and having regard to the enterprise value of Aspocomp Oulu of approximately EUR18.33 million (equivalent to approximately HK\$210 million), which is calculated based on an enterprise value multiplier of 5.65 times of the average of earnings before interest, taxation, depreciation and amortization ("EBITDA") for the financial year ended 31 December 2006 as per the unaudited management accounts prepared and the annualized EBITDA for the financial year ending 31 December 2007 as per the eight months unaudited management accounts as at 31 August 2007 with adjustment by adding the aggregate cash balance but minus the aggregate indebtedness (excluding shareholders loan) of Aspocomp Oulu as extracted from the unaudited balance sheet of Aspocomp Oulu as at 31 October 2007.

The above enterprise value multiplier of 5.65 times was determined after arm's length negotiations between the Company and Aspocomp with reference to the Group's enterprise value multiplier of approximately 5.6 times based on the interim results for 2007 of the Group. The Directors consider that enterprise value multiplier pricing model (with zero cash and indebtedness amounts) is an appropriate valuation basis (rather than other financial ratios, such as net asset value, price-to-book ratio and price-earning ratio) due to the following

reasons : (i) there is no close correlation between asset value and profit generating capability of PCB manufacturing operation; (ii) there is a wide range of profit margin in PCB manufacturing operations based on different technology such that price-to-book ratio is not applicable to PCB industry; and (iii) the calculation formula based on the enterprise value multiplier does not take into account of cash and indebtedness amounts, which amounts are frustrating in nature and difficult to predict . The Group’s enterprise value multiplier based on the 2007 results was made as a reference because it was difficult for the parties to agree on the market comparables due to the wide range of the enterprise value multipliers of different PCB-manufacturing businesses based on different technology and operated in different places in the world. The Directors consider that the basis of determination of the enterprise value multiplier is fair and reasonable.

The consideration for the Oulu Acquisition, together with the consideration for the HoldCo Acquisition disclosed above and the consideration for the Equipment Acquisition disclosed below, will be financed by internal resources of the Group and external bank financing.

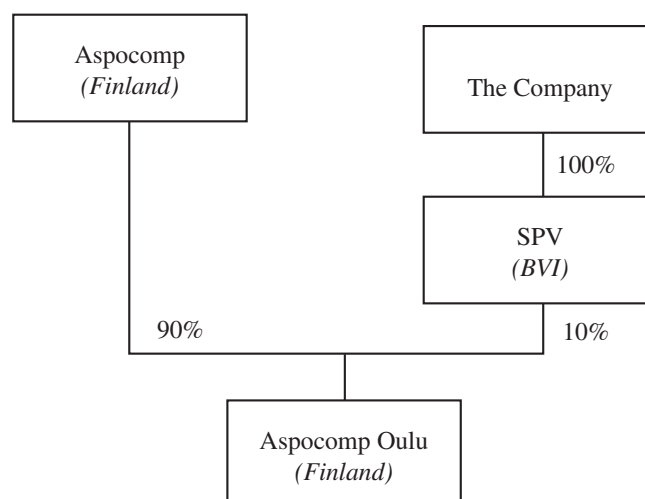
Conditions precedent:

The Oulu Acquisition Closing is conditional on the HoldCo Acquisition Closing having occurred.

If the above condition is not fulfilled or waived by both parties by 28 November 2007 or immediately before Closing to the extent that the above condition is required to, or can only be, satisfied immediately before closing (or such other date as the parties may agree in writing), the Oulu Acquisition Agreement shall automatically lapse.

Oulu Acquisition Closing

The Oulu Acquisition Closing shall take place immediately following the HoldCo Acquisition Closing. The corporate structure of Aspocomp Oulu immediately following the Oulu Acquisition Closing is as follows:



Consequential transaction document

Upon the Oulu Acquisition Closing, Aspocomp, SPV and Aspocomp Oulu will enter into the Oulu Shareholders Agreement, as part and parcel of the HoldCo Acquisition. The principal terms of Oulu Shareholders Agreement are summarised as follows:

- (1) The board of directors of Aspocomp Oulu shall comprise 3 directors, of whom 1 director shall be appointed by SPV and 2 directors shall be appointed by Aspocomp.
- (2) This agreement does not oblige the shareholders to contribute any funds or participate in any guarantee or similar undertaking for Aspocomp Oulu's benefit. If the board of directors of Aspocomp Oulu consider at any time that Aspocomp Oulu requires further finance, the board will consider whether or not to approach Aspocomp Oulu's bankers or other financial institutions or, in appropriate circumstances, to seek such further finance from the shareholders. The shareholders are not obliged to contribute further funds for Aspocomp Oulu's benefit unless they agree on the amount and method of providing the finance. Should the shareholders agree to contribute further financing to or participate in any guarantee or similar undertaking for Aspocomp Oulu, they shall make it in accordance with their respective equity proportions.
- (3) Save for intra-group transfers, any transfer of shares in Aspocomp Oulu by either shareholder shall be subject to the first right of refusal to purchase on the same terms by the other.
- (4) If Aspocomp proposes to sell its shareholding in Aspocomp Oulu to a third party, it shall ensure that such third party offers to buy the shareholding in Aspocomp Oulu held by SPV on the same terms. If Aspocomp transfers its shareholding in Aspocomp Oulu to a third party, it may require SPV to transfer to that third party the shareholding in Aspocomp Oulu held by SPV on the same terms as the sale by Aspocomp.

EQUIPMENT ACQUISITION

Contract: the Equipment Acquisition Agreement

Date: 8 November 2007

Parties:

1. Meadville Enterprises (as purchaser); and
2. Aspocomp Oy (as seller)

Meadville Enterprises is a wholly-owned subsidiary of the Company.

To the best of the Company's knowledge, information and belief and having made all reasonable enquiries, Aspocomp Oy, a wholly-owned subsidiary of Aspocomp, is an independent third party not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

Assets to be acquired:

23 sets of second hand industrial equipment comprising machinery for mechanical drilling, microvia drilling and routing, for production of PCB.

The net book value of such equipment as at 31 October 2007 is approximately EUR1.61 million (equivalent to approximately HK\$18 million).

Consideration:

The consideration for the equipment is approximately EUR1.61 million (equivalent to approximately HK\$18 million). The consideration was arrived at after arm's length negotiations between the Company and Aspocomp Oy and having regard to the net book value of HK\$18 million of the equipment as at 31 October 2007.

The consideration for the Equipment Acquisition, together with the consideration for the HoldCo Acquisition and the Oulu Acquisition disclosed above, will be financed by internal resources of the Group and external bank financing.

Conditions precedent:

The sale and purchase of the equipment is conditional on:

- (a) Aspocomp Oy having produced to Meadville Enterprises or its lawyers of a written consent from the relevant bank(s) approving the entering into this Agreement by Aspocomp Oy and its sale of the equipment to Meadville Enterprises the Equipment Acquisition Agreement;
- (b) a legal opinion addressed to Meadville Enterprises confirming that (i) Aspocomp Oy is lawfully capable of entering into Equipment Acquisition Agreement and is lawfully capable of selling the equipment to Meadville Enterprises free of any pledge, charge, third party's right and any other encumbrances pursuant to this Agreement; and (ii) that no approvals, consents and requirements other than the written consent referred to in paragraph (a) above are required for such a sale by Aspocomp Oy to Meadville Enterprises;
- (c) Meadville Enterprises having received a letter of the board of directors of Aspocomp Oy confirming that Aspocomp Oy has not been in default towards its creditors and there are no proceedings existing, threatened or pending against Aspocomp Oy for any debts or amounts of money; and the Equipment Acquisition Agreement has been duly executed by or on behalf of Aspocomp Oy and is legally binding on and enforceable against the Seller; and
- (d) the approval by the shareholders of the Company of the transactions contemplated by the Equipment Acquisition Agreement as and if required by the Listing Rules.

If the above condition is not fulfilled or waived by both parties by 28 November 2007 (or such other date as the parties may agree in writing), the Equipment Acquisition Agreement shall automatically lapse.

Equipment Acquisition Closing

The Equipment Acquisition Closing is not conditional on either the HoldCo Acquisition Closing or the Oulu Acquisition Closing. The Equipment Acquisition Closing will take place on the second business days following the satisfaction of the above conditions.

INFORMATION ON THE ASSETS TO BE ACQUIRED UNDER THE ACQUISITIONS

Assets under the HoldCo Acquisition:

The assets to be purchased by the Group under the HoldCo Acquisition are the Sale Shares, representing 80% of the issued share capital of HoldCo as at the HoldCo Acquisition Closing.

HoldCo is an investment holding company incorporated in the British Virgin Islands in October 2007. As at the HoldCo Acquisition Closing, the principal assets of HoldCo will be (i) the 100% interest in certain second hand industrial equipment transferred from Aspocomp under the Salo Equipment Agreement, which will be completed before or immediately before the HoldCo Acquisition Closing; and (ii) the 100% interest (through intermediate investment holding companies, the BVI Company and the HK Company (*Note*)) in each of ACI and ACPE, where ACI plans to commence its manufacturing of HDI-PCB in India in 2009 and ACPE has been engaged in manufacturing of HDI-PCB in the PRC since 1998.

(*Note*: ACPH is not taken as a member of the HoldCo Group since it will be disposed of and sold back to Aspocomp for a nominal consideration in the Post HoldCo-Acquisition Closing)

The audited net asset value of ACPE is approximately HK\$498.3 million as at 31 December 2006. The audited net profit before tax and extraordinary items of ACPE for the two financial years ended 31 December 2005 and 31 December 2006 are approximately HK\$48.6 million and HK\$92.7 million respectively, whilst the audited net profit after tax and extraordinary items of ACPE for the two financial years ended 31 December 2005 and 31 December 2006 are approximately HK\$48.6 million and HK\$101.2 million respectively.

ACI was incorporated in 2006. The audited net asset value of ACI is approximately HK\$9.7 million as at 31 December 2006. The audited net loss before tax and extraordinary items of ACI for the financial year ended 31 December 2006 is HK\$5.5 million, whilst the audited net loss after tax and extraordinary items of ACI for the financial year ended 31 December 2006 is HK\$5.6 million.

The net book value of the second hand industrial equipment transferred from Aspocomp under the Salo Equipment Agreement is approximately HK\$165 million.

Asset under the Oulu Acquisition:

The assets to be purchased by the Group under the Oulu Acquisition are shares in Oulu representing 10% of the issued shares of Aspocomp Oulu.

To the best knowledge of the Company, Aspocomp Oulu, a wholly-owned subsidiary of Aspocomp, was incorporated in May 2007. Aspocomp Oulu is engaged in the business of manufacturing of PCB in Finland. Based on the unaudited management accounts of Aspocomp Oulu as at 31 August 2007 provided by Aspocomp, the unaudited net profit before tax and extraordinary items of Aspocomp Oulu for the first 8 months of 2007 ended 31 August 2007 is approximately EUR1.29 million (equivalent to approximately HK\$14.7 million), whilst the unaudited net profit after tax and extraordinary items of Aspocomp Oulu for the first 8 months of 2007 ended 31 August 2007 is approximately EUR1.29 million (equivalent to approximately HK\$14.7 million). The unaudited net asset value of Aspocomp Oulu as at 31 August 2007 is approximately EUR6.10 million (equivalent to approximately HK\$69.6 million). The unaudited financial information of Aspocomp Oulu was prepared in accordance with International Financial Reporting Standards.

Asset under the Equipment Acquisition:

The assets to be purchased by the Group under the Equipment Acquisition are 23 sets of second hand industrial equipment, comprising machinery for mechanical drilling, microvia drilling and routing, for production of PCB. Although the equipment is second hand, the Group has inspected the equipment and find that they are in good working and maintenance condition and suitable for the Group's manufacturing purposes.

The net book value of such equipment as at 31 October 2007 is approximately EUR1.61 million (equivalent to approximately HK\$18 million), which is less than the market value of new machineries to a certain extent.

INFORMATION ON ASPOCOMP, ASPOCOMP OY AND ASPOCOMP OULU

To the best knowledge of the Company, Aspocomp is a company incorporated in Finland and listed on the Helsinki Stock Exchange. Aspocomp and its subsidiaries, including Aspocomp Oy and Aspocomp Oulu, are principally engaged in the business of design and manufacture of high technology PCB which includes high technology HDI-PCB for mobile devices, telecommunication infrastructure automotive and industrial applications. Aspocomp has business operation in Europe, the PRC, India and Thailand.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

Aspocomp is specialized in manufacturing of HDI-PCB and strong in the research and development in this field. With its headquarter in Finland, Aspocomp has close proximity with customers in the telecommunication industry in Northern Europe. By way of the Acquisitions (including the consequential arrangements in the HoldCo Acquisition as part and parcel of the deal), the Company expects to form a strategic alliance with Aspocomp so as to enable the Group to get immediate access to the sales network in Northern Europe and, in particular, to certain top-tier customers in the telecommunication industry in Northern Europe. Further, the plant of ACPE in the PRC will help increase immediately the Group's production capacity in HDI-PCB, whilst ACI's plan to commence production in India in 2009 will provide the Group with an opportunity to develop customers in India as well as to serve the Group's customers globally. In addition, with Aspocomp's research and development engineers joining the Group following the closing of the Acquisitions and Aspocomp's transfer to Meadville Enterprises of the IP Rights under the IP Rights Transfer Agreement as part and parcel of the HoldCo Acquisition, it is expected that the Group will benefit from the results of Aspocomp's research and development in HDI-PCB and various PCB manufacturing process.

“ACPH”	Aspocomp Chin-Poon Holdings Limited, a limited liability company incorporated in the British Virgin Islands, which is (i) a wholly-owned subsidiary of ACHK before the Restructuring; (ii) a wholly-owned subsidiary of the HK Company after the Restructuring; and (iii) to cease to be a wholly-owned subsidiary of the HK Company after the Post HoldCo Acquisition Restructuring
“ACPE”	ACP Electronics Co., Ltd (敬鵬(蘇州)電子有限公司), a limited liability company incorporated as a wholly foreign owned enterprise established in Suzhou, the PRC, which is a wholly-owned subsidiary of Aspocomp before the HoldCo Acquisition but a member of the HoldCo Group after the HoldCo Acquisition
“ACPE Working Capital Facilities Security”	The security given by ACPE to SCB or its affiliate(s) to secure the facilities advanced to it by SCB for its working capital purpose
“Acquisitions”	the HoldCo Acquisition, the Oulu Acquisition and the Equipment Acquisition
“Aspocomp”	Aspocomp Group Oyj, a company incorporated in Finland and listed on the Helsinki Stock Exchange
“Aspocomp Group”	Aspocomp and its subsidiaries (other than the HoldCo Group after the HoldCo Acquisition Closing)
“Aspocomp Oy”	Aspocomp Oy, a company incorporated in Finland and a wholly-owned subsidiary of Aspocomp
“Aspocomp Oulu”	Aspocomp Oulu Oy, a company incorporated in Finland and a wholly-owned subsidiary of Aspocomp before the Oulu Acquisition
“BVI”	the British Virgin Islands
“BVI Company”	a company incorporated in the British Virgin Islands which will become a wholly-owned subsidiary of HoldCo after the Restructuring
“Charged Shares”	shares in HoldCo owned by Aspocomp representing 3% of the issued shares of HoldCo as at immediately following completion of the HoldCo Acquisition, to be charged by Aspocomp to the Company or SPV, for the purpose of securing any claim to be made by the Company
“Circular”	the circular to be dispatched by the Company to its shareholders in respect of the Acquisitions pursuant to the requirements of the Listing Rules

“Company”	Meadville Holdings Limited, a company incorporated in the Cayman Islands, whose shares are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Equipment Acquisition”	the acquisition by Meadville Enterprises from Aspocomp Oy of certain equipment set out in the Equipment Acquisition Agreement
“Equipment Acquisition Agreement “	the sale and purchase agreement dated 8 November 2007 and entered into between Aspocomp Oy, and Meadville Enterprises in relation to the Equipment Acquisition
“Equipment Acquisition Closing”	closing of the Equipment Acquisition pursuant to the Equipment Acquisition Agreement
“EUR”	Euros, the lawful currency of the member states of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union, and as from time to time further amended or supplemented
“Group”	the Company and its subsidiaries
“HDI-PCB”	high density interconnections printed circuit board
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK Company”	a company incorporated in Hong Kong which will become a wholly-owned subsidiary of HoldCo after the Restructuring
“HoldCo”	Aspocomp Asia Limited (to be renamed Meadville Aspocomp (BVI) Holdings Limited after the HoldCo Acquisition Closing), a company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by Aspocomp before the HoldCo Acquisition Closing but will be owned as to 20% by Aspocomp and as to 80% by the Group immediately after the HoldCo Acquisition Closing
“HoldCo Acquisition Closing”	closing of the HoldCo Acquisition pursuant to the HoldCo Acquisition Agreement
“HoldCo Acquisition”	the acquisition of the Sale Shares from Aspocomp by SPV pursuant to the HoldCo Acquisition Agreement

“HoldCo Acquisition Agreement”	the share sale and purchase agreement dated 8 November 2007 and entered into among Aspocomp, the Company and HoldCo in relation to, among other things, the HoldCo Acquisition
“HoldCo Group”	HoldCo, the BVI Company, ACI, the HK Company and ACPE
“HoldCo Shareholders Agreement”	the shareholders agreement in relation to HoldCo to be entered into among Aspocomp, SPV and HoldCo at the HoldCo Acquisition Closing, for the purposes of governing the relationship between Aspocomp and SPV as shareholders of HoldCo and regulating, as between them, the affairs of HoldCo
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IP Rights”	the patents, patent applications, unregistered technologies and trademarks as listed in the schedule to the IP Rights Transfer Agreement
“IP Rights Licence Agreement”	the agreement to be entered into between Meadville Enterprises and HoldCo at the HoldCo Acquisition Closing, whereby Meadville Enterprises will grant a licence to HoldCo (including a sub-licence to HoldCo’s subsidiaries) for the use of the patents, patent applications, unregistered technologies obtained by Meadville Enterprises under the IP Rights Transfer Agreement
“IP Rights Transfer Agreement”	the agreement to be entered into among Aspocomp, Aspocomp Oy and Meadville Enterprises at the HoldCo Acquisition Closing, whereby Aspocomp, Aspocomp Oy will transfer to Meadville Enterprises the IP Rights
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Meadville Enterprises”	Meadville Enterprises (HK) Limited, a wholly-owned subsidiary of the Company
“OPC”	Oriental Printed Circuits Limited, a wholly-owned subsidiary of the Company
“Option Deed”	the deed to be entered into between, inter alia, Aspocomp and SPV at the HoldCo Acquisition Closing, whereby SPV will grant a put option to Aspocomp and Aspocomp will grant to SPV a call option, upon and subject to the terms and conditions thereof

“Oulu Acquisition”	the acquisition of the 10% of the issued shares in Aspocomp Oulu from Aspocomp by SPV pursuant to the Oulu Acquisition Agreement
“Oulu Acquisition Agreement”	the sale and purchase agreement dated 8 November 2007 entered into between Aspocomp and the Company in relation to the Oulu Acquisition
“Oulu Acquisition Closing”	closing of the Oulu Acquisition pursuant to the Oulu Acquisition Agreement
“Oulu Shareholders Agreement”	the shareholders agreement relating to Aspocomp Oulu to be entered into among Aspocomp Oy, SPV and Aspocomp Oulu at the Oulu Acquisition Closing, for the purposes of governing the relationship between Aspocomp and SPV as shareholders of Aspocomp Oulu and regulating, as between them, the affairs of Aspocomp Oulu
“PCB”	printed circuit board(s)
“Post HoldCo-Acquisition Restructuring”	the corporate restructuring of HoldCo and its subsidiaries after the HoldCo Acquisition Closing as described in the paragraph headed “HoldCo Acquisition – Post HoldCo-Acquisition Restructuring” of this announcement
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Restructuring”	(i) the corporate restructuring to the effect that ACI, ACPE, ACPH, HK Company and BVI Company will become wholly-owned subsidiaries of HoldCo; and (ii) the transfer of the title to certain second hand industrial equipment, as particularized in the Salo Equipment Agreement, from Aspocomp Oy to HoldCo before or immediately before the HoldCo Acquisition Closing
“Sale Commission Agreement”	the sales commission agreement to be entered into among Aspocomp, OPC and HoldCo at the HoldCo Acquisition Closing relating to the payment of sales commission among the parties after the HoldCo Acquisition Closing
“Salo Equipment Agreement”	an agreement to be entered into between Aspocomp Oy and HoldCo in relation to the transfer by Aspocomp Oy to HoldCo of certain equipment (particulars of which are set out therein) for the use by the HoldCo Group after the HoldCo Acquisition Closing

“Sale Shares”	40,000 shares in the share capital of HoldCo, representing 80% of its entire issued share capital as at the HoldCo Acquisition Closing
“SCB”	Standard Chartered Bank (Hong Kong) Limited
“SCB Loan Facility”	a secured loan of EUR40 million made by SCB to ACHK under the terms of the SCB Loan Facility Agreement
“SCB Loan Facility Agreement”	a term loan facility agreement dated 20 March 2007 entered into among ACHK as borrower, Aspocomp as guarantor, SCB as original lender and Standard Chartered Bank as hedging bank and SCB as agent and trustee in relation to a EUR40 million term loan facility
“SCB Security”	all the security granted by Aspocomp, ACHK, ACPH and ACPE respectively in favour of SCB to secure the SCB Loan Facility
“SCB Working Capital Repayment Amount”	the amount equal to the outstanding working capital debt facilities made available by SCB or its affiliate(s) to ACPE after the date of this Agreement
“Share Charge”	the charge over the Charged Shares to be executed by Aspocomp at the HoldCo Acquisition Closing in favour of the Company for the purpose of securing any claims to be made by the Company under the HoldCo Acquisition Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“SPV”	a special purpose company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company

For illustration purpose, in this announcement amounts in EUR have been translated into HK\$ at the exchange rate of EUR1.00 to HK\$11.404. Such translation does not constitute a representation that any amount has been, could have been or may be exchanged at such rate.

By Order of the Board
Meadville Holdings Limited
Tang Chung Yen, Tom
Executive Chairman and Group Managing Director

Hong Kong, 16 November 2007

As at the date of this announcement, the board of directors of the Company comprises 7 directors, of which Mr TANG Hsiang Chien, Mr TANG Chung Yen, Tom, Mr CHUNG Tai Keung, Canice and Ms TANG Ying Ming, Mai are executive directors of the Company; and Mr LEE, Eugene, Mr LEUNG Kwan Yuen, Andrew and Dr LI Ka Cheung, Eric are independent non-executive directors of the Company.