

**20110131**

**CONVERSION OF 46,700 SERIES A PREFERRED SHARES OF PAR VALUE HK\$0.10 EACH INTO 46,700 ORDINARY SHARES OF PAR VALUE HK\$0.10 EACH IN THE SHARE CAPITAL OF HILONG HOLDING LIMITED**

We refer to our announcements dated 23<sup>rd</sup> August 2010 and 24<sup>th</sup> August 2010 in respect of the following

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- i) Execution of a Master Investment Agreement (“MIA”) between UMW China Ventures (L) Ltd (“UMWCV”), Mr Zhang Jun, Hilong Group Limited and Hilong Holding Limited (“HL CAYMAN”);
- ii) Execution of a Share Subscription Agreement and a Shareholders’ Agreement between UMWCV, Hilong Group Limited and HL CAYMAN;
- iii) Execution of Asset Pledge Agreement - Ecuador between UMWCV and Hilong Oil Service & Engineering Ecuador Co., Ltd; and
- iv) Execution of Asset Pledge Agreement - Kazakhstan between UMWCV and Hilong Petroleum Technology And Engineering Company.

We are pleased to inform you that, pursuant to the MIA, the 46,700 Series A Preferred Shares of par value HK\$0.10 each, subscribed by UMWCV in the share capital of HL CAYMAN, have been converted into 46,700 Ordinary Shares of par value HK\$0.10 each. There is no change in UMWCV’s equity holding in the share capital of HL CAYMAN subsequent to the conversion, which remains at 4.67%.

cc - Securities Commission  
(Issues & Investment Division)