

**Public Announcement in Connection with
Acquisition of Foshan Electrical and Lighting Co., Ltd.
by OSRAM PROSPERITY Holding Company Limited**

I. The Takeover Report

There are no material differences between the Takeover Report being published and the submission draft thereof in respect of which the China Securities Regulatory Commission issued a no-objection letter on 28 July 2005, except for the followings:

1. the contents of the Share Reform Memorandum referred to in Sections II and III of this announcement;
2. the supplementary statement concerning the holding and trading of FELCO shares six months prior to this announcement (see Section IV of this Announcement); and
3. instead of appointing Dr. Wolf-Dieter Bopst and Mr. Chan Koon Biu, the Acquirer will appoint Martin Goetzeler and Johannes Nrger to FELCO’s Board upon completion of this Acquisition.

The Takeover Report has not yet disclosed the material transactions between FELCO and the Acquirer between the date of the Share Transfer Contract and that of the Takeover Report. The Acquirer will make timely disclosure to supplement the relevant information if, based on audited information, there are material transactions between the parties.

II. Explanations on not timely publishing the Takeover Report

The Acquirer’s acquisition of 48,284,134 non-listed FELCO shares (“**Sale Shares**”) has received a no-objection letter from the China Securities Regulatory Commission on 28 July 2005.

Upon receiving the no-objection letter, the Acquirer contacted the Shenzhen Stock Exchange to carry out the public announcement and share transfer registration procedures. However, it was at the time when the share segmentation reform was moved forward and the Guangdong Province had chosen FELCO as a key target for the reform.

The Acquirer, as a foreign company, did not have sufficient information concerning the share segmentation reform in China at that time. Although the Acquirer was not prepared in respect of the reform, it fully understood that its acquisition is an important factor to consider for FELCO’s share segmentation reform. As the potential single-largest shareholder of FELCO, the Acquirer, after taking into account the possibility that the unilateral publication without a definite share segmentation reform plan might mislead the public investors, postponed the publication of the Takeover Report and continued to discuss actively with the assignor, Foshan SASAC, on the possible resolutions.

Currently the Acquirer has agreed to the FELCO share segmentation reform plan proposed by Foshan SASAC on 20 February 2006. They also signed a memorandum in connection with the FELCO share segmentation reform on 16 February 2006 (“**Share Reform Memorandum**”).

III. The memorandum executed by the Acquirer and Foshan SASAC

The main contents of the Share Reform Memorandum are follows:

- (1) The Acquirer undertakes not to trade on the exchange or transfer the Sale Shares (i) within a period expiring on the 60th month from the date when the Acquirer obtains the right to float the Sale Shares, or (ii) 31 December 2011 (whichever date in (i) or (ii) is earlier). The Acquirer undertakes to apply to the Shenzhen Stock Exchange to lock-up the Sale Shares for the above restriction period that it has undertaken once the Sale Shares are registered under its name.
- (2) The Acquirer undertakes that, within four years after the completion of the share segmentation reform and transfer of the Sale Shares, the Acquirer will present to the Shareholders’ Annual Meeting of FELCO a dividend distribution proposal and cast an affirmative vote for it to support a dividend distribution not lower than 65% of the realized distributable profits. “Distributable profits” in the preceding sentence means the net after-tax profit after deducting the reserves for the statutory funds and reasonable operating funds for the company.
- (3) The Acquirer undertakes that, within five years after the completion of the share segmentation reform and the share transfer, OSRAM will purchase lamp products in accordance with the provisions of the Lamps Purchase Contract.
- (4) The Acquirer undertakes that, after completion of the share transfer and upon FELCO’s request, the Acquirer will cause OSRAM to consider providing FELCO with appropriate technical assistance and know-how in accordance with the terms and conditions to be agreed upon by FELCO and OSRAM.
- (5) The Purchaser undertakes that, after the transfer of the Sale Shares, it will exercise its voting powers in Board meetings and shareholders’ meetings of FELCO to continue to appoint Mr. Zhong Xincui to act as the Chairman of FELCO at the election of the next term of board of directors in order to maintain the stability of the management team of FELCO and procure that the existing management of FELCO will by and large remain the same for three years, provided that the performance of the existing management does not deteriorate and thereby adversely affecting the performance of FELCO.
- (6) For the purposes of motivating the management of FELCO and aligning the interests between them and the shareholders of FELCO, the Acquirer will actively push forward the shareholding incentive program for FELCO’s management.
- (7) The Vendor and the Acquirer agree that, circumstances permitting, both parties shall jointly participate in the communications with the holders of A shares and other non-floating shares.

- (8) Subject to the conditions stipulated in the Share Reform Memorandum, the Vendor and the Acquirer shall faithfully perform their undertakings under the Share Reform Memorandum. If either party fails to perform or completely perform, it shall be liable to compensate the other shareholders of FELCO for the losses incurred by them as a result in accordance with Chinese law.
- (9) The contents of the share segmentation reform plan (and the subsequent revisions thereto (if any)) shall be agreed upon by both parties.

The above arrangement set forth in the Share Reform Memorandum and the Share Reform Proposal still need to be adopted at the relevant Shareholders' Meetings of FELCO and require the approval of the relevant government authorities. If either is not adopted or approved, the Vendor and the Acquirer agree to conduct consultations and make further arrangements in good faith with regard to the share reform and the share transfer.

IV. Description of holding and trading of FELCO shares by the Acquirer and its senior management during the six months prior to this public announcement

Up to 31 January 2006, except the shares controlled and traded by Mr. CHONG Kin Ngai by himself or through Asia Lamp Industry (HK) Limited controlled by him as disclosed below,

1. The Acquirer (including its shareholder, controller and "party in concert") does not hold any listed and traded FELCO shares and did not trade any listed and traded FELCO shares during the six months prior to this announcement.
2. The directors and senior management (or major executives in charge) of the Acquirer and the direct family members of the aforementioned persons do not hold any listed and traded FELCO shares and did not trade any listed and traded FELCO shares during the six months prior to this announcement.

The holding of listed and traded FELCO shares and trading of listed and traded FELCO shares during the respective six-month periods prior to execution of the Share Transfer Contract and this announcement by Mr. CHONG Kin Ngai, director of the Acquirer, are described below:

Mr. CHONG Kin Ngai, director of the Acquirer:

Account (1)

Date	Shares (Bought)	Share Price (Bought)	Shares Held in Aggregate
March 2004	1,000	9.29	1,075,273
	9,000	9.3	1,084,273
	2,800	9.6	1,087,073
	20,000	9.7	1,107,073
	50,000	9.55	1,157,073
	50,000	9.5	1,207,073

Date	Shares (Bought)	Share Price (Bought)	Shares Held in Aggregate
April 2004	50,000	9.5	1,257,073
	23,900	9.55	1,280,973
May 2004	0	0	1,280,973
June 2004	0	0	1,280,973
July 2004	0	0	1,280,973
August 2004	0	0	1,280,973
August 2005	0	0	1,280,973
September 2005	0	0	1,280,973
October 2005	0	0	1,280,973
November 2005	0	0	1,280,973
December 2005	0	0	1,280,973
January 2006	0	0	1,280,973
Total	206,700		1,280,973

Account (2)

Date	Shares (Bought)	Share Price (Bought)	Shares Held in Aggregate
March 2004	0	0	2,415,500
April 2004	0	0	2,415,500
May 2004	0	0	2,415,500
June 2004	0	0	2,415,500
July 2004	0	0	2,415,500
August 2004	0	0	2,415,500
August 2005	0	0	2,415,500
September 2005	0	0	2,415,500
October 2005	0	0	2,415,500
November 2005	20000	6.95	2,435,500
	20000	6.88	2,455,500
	10000	6.85	2,465,500
	30000	6.80	2,495,500
	10000	6.82	2,505,500
	10000	6.65	2,515,500
	10000	6.95	2,525,500
	10000	6.82	2,535,500
	10000	6.85	2,545,500
	10000	6.82	2,555,500
December 2005	5,000	6.75	2,560,500
	5,000	6.75	2,565,500
	9,000	6.62	2,574,500
January 2006	0	0	2,574,500
Total	159,000		2,574,500

Asia Lamp Industry (HK) Limited controlled by Mr. CHONG Kin Ngai, director of the Acquirer

Date	Shares (Bought)	Share Price (Bought)	Shares Held in Aggregate
March 2004	0	0	2,047,478
April 2004	20000	9.17	2,067,478
	20000	8.85	2,087,478
May 2004	0	0	2,087,478
June 2004	20000	8.65	2,107,478
	10000	8.56	2,117,478
	20000	8.52	2,137,478
	20000	8.55	2,157,478
	4700	8.45	2,162,178
	20000	8.48	2,182,178
	20000	8.45	2,202,178
	10000	8.42	2,212,178
July 2004	0	0	2,212,178
August 2004	0	0	2,212,178
August 2005	0	0	2,212,178
September 2005	0	0	2,212,178
October 2005	0	0	2,212,178
November 2005	0	0	2,212,178
December 2005	0	0	2,212,178
January 2006	0	0	2,212,178
Total	164,700		2,212,178

OSRAM PROSPERITY Holding Company Limited
February 16, 2006