

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



RADFORD CAPITAL INVESTMENT LIMITED

萊福資本投資有限公司

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

RESUMPTION OF TRADING IN SHARES

Trading in the shares of the Company was suspended by the Stock Exchange at the direction of the SFC with effect from 9:30 a.m., 17th October, 2003 due to the exercise of its powers under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules and trading in the shares of the Company will resume with effect from 9:30 a.m. on 30th October, 2003. The SFC has concerns over the gain in share price of the Company in light of a high concentration of shareholding in the Company and the high premium to net asset value of the Company. The closing prices of the Company’s shares as at 10th September, 2003 and 16th October, 2003 were HK\$0.54 and HK\$1.34 respectively. Accordingly, between 10th September, 2003 and 16th October, 2003 the Company’s share price has increased by approximately 148%. As at 10th September, 2003, the Company’s share price represents a premium of approximately 262% over the unaudited net asset value of the Company as at 31st August, 2003 (of HK\$0.149 per share). As at 16th October, 2003, the Company’s share price represents a premium of approximately 824% over the unaudited net asset value of the Company as at 30th September, 2003 (of HK\$0.145 per share).

At the request of the SFC, the Company now announces details of its investment portfolio as of 30th June, 2003 and 24th October, 2003 and that it will as soon as practicable commence an Ownership Investigation under s329 of the SFO.

INVESTORS ARE REQUESTED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES OF THE COMPANY.

Trading in the shares of the Company is expected to resume with effect from 9:30 a.m. on 30th October, 2003, pending the instructions of the SFC to uplift the suspension.

The shares of the Company was suspended from trading with effect from 9:30 a.m., 17th October, 2003 by the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) at the direction of the Securities and Futures Commission (“SFC”) pursuant to its powers under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules.

At the request of the SFC, the Company now announces details of its investment portfolio as of 30th June, 2003 and that as at 24th October, 2003, the latest practicable date prior to the publication of this announcement:-

Stock code	Listed Securities	Note	As at 30 June 2003				As at 24 October 2003			
			No. of shares	Unit Price HK\$	Market Value HK\$	% of portfolio	No. of shares	Unit Price HK\$	Market Value HK\$	% of portfolio
32	The Cross-Harbour (Holdings) Ltd	1	2,944,236	3.2500	9,568,767	8.48%	3,031,331	3.7500	11,367,491	8.38%
75	Y.T. Realty Group Ltd	2	9,556,000	0.3500	3,344,600	2.96%	9,556,000	0.4500	4,300,200	3.17%
1224	Qualipak Int'l Holdings Ltd	3	68,000,000	0.1380	9,384,000	8.31%	68,000,000	0.1400	9,520,000	7.02%
613	Yugang Int'l Ltd		206,680,000	0.0360	7,440,480	6.59%	192,696,000	0.0600	11,561,760	8.52%
	Sub-total				29,737,847	26.35%			36,749,451	27.08%
292	Asia Standard Hotel Group Ltd	4	102,500,000	0.1770	18,142,500	16.08%	101,430,000	0.2850	28,907,550	21.30%
273	China United Int'l Holdings Ltd	5	9,600,000	1.2500	12,000,000	10.63%	9,860,000	1.2000	11,832,000	8.72%
Unlisted	China United Int'l Holdings Ltd - Convertible Notes				4,017,640	3.56%			4,017,640	2.96%
	Sub-total				16,017,640	14.19%			15,849,640	11.68%
412	Heritage Int'l Holdings Ltd	6	77,630,000	0.2110	16,379,930	14.51%	77,630,000	0.1410	10,945,830	8.07%
923	Warrants of Heritage Int'l Holdings Ltd	—	—	—	—	—	15,526,000	0.034	527,884	0.39%
985	China Sci-Tech Holdings Ltd	7	220,000,000	0.0200	4,400,000	3.90%	202,680,000	0.0200	4,053,600	2.99%
	Sub-total				20,779,930	18.41%			15,527,314	11.44%
732	Truly Int'l Holdings Ltd		2,346,000	3.3500	7,859,100	6.96%	2,214,000	6.0000	13,284,000	9.79%
21	Beauforte Investors Corp. Ltd	8	1,350,000	1.9800	2,673,000	2.37%	1,350,000	3.2000	4,320,000	3.18%
651	Wonson Int'l Holdings Ltd	9	341,000,000	0.0230	7,843,000	6.95%	341,000,000	0.0190	6,479,000	4.77%
	Sub-total				10,516,000	9.32%			10,799,000	7.96%
235	China Strategic Holdings Ltd		41,350,000	0.0900	3,721,500	3.30%	41,350,000	0.1800	7,443,000	5.48%
139	139 Holdings Ltd	10	430,000,000	0.0100	4,300,000	3.81%	430,000,000	0.0120	5,160,000	3.80%
913	Unity Investments Holdings Ltd	11	9,900,000	0.1800	1,782,000	1.58%	9,900,000	0.2000	1,980,000	1.46%
345	Vitasoy Int'l Holdings Ltd		1,063	1.8400	1,956	0.00%	1,063	1.9000	2,020	0.00%
	Total Investments				112,858,473	100.00%			135,701,975	100.00%

The Company's net asset value ("NAV")

	NAV (HK\$)	NAV/Share (HK\$)
As at 30th June 2003	107,084,036	0.1050
As at 30th September 2003	147,552,332	0.1450

The information below is extracted from publicly available information (including disclosure of interests notices ("DI notice(s)")) available on www.hkex.com.hk as at 29th October, 2003 unless otherwise specified herein). The Directors have not done any independent verification of the accuracy of such information and whether such information is up to date. The Directors and the Company take no responsibility for the accuracy of such information and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the information below.

Notes

- 1 Cross-Harbour (Holdings) Ltd. ("Cross-Harbour") (32) is 27.79% owned by Y.T. Realty Group Ltd. (75) according to the 2003 interim report of Cross-Harbour. According to a disclosure of interest notice dated 24 June 2003, Y.T. Realty Group Ltd. (75) holds additional options over 60,000,000 shares and convertible notes which, upon exercise, will convert into 21,745,151 shares of Cross-Harbour.
- 2 Y.T. Realty Group Ltd. (75) is 34.25% owned by Yugang International Ltd. (613).
- 3 Qualipak International Holdings Ltd. (1224) is 69.87% owned by Yugang International Ltd. (613).
- 4 Asia Standard Hotel Group Ltd. (292) is 70.04% owned by Asia Standard International Group Ltd. (129). Asia Standard International Group Ltd. is 53.41% owned by Asia Orient Holdings Ltd. (214).
- 5 Asia Orient Holdings Ltd. (214) was a shareholder of China United International Holdings Ltd. (273). China United International Holdings Ltd. (273) is a substantial shareholder and holds a deemed interest of 23.24% in Radford Capital Investment Ltd. through Hennabun Management Inc ("HMI").

4,930,000 bonus shares will be allotted to the Company on 14th November, 2003.
- 6 China Sci-Tech Holdings Ltd. (985) and Ms. Lo Ki Yan are shareholders of Heritage International Holdings Ltd. (412). Please also refer to Note 7, 10 and 11.
- 7 Mr. Chuang Yue Chien and Ms Lo Ki Yan are shareholders of China Sci-Tech Holdings Ltd. (985). Mr. Chuang holds 16.53% of China Sci-Tech Holdings Ltd. and is a brother of Mr. Chuang Yue Heng, Chairman of China United International Holdings Ltd. Mr. Chiu Tao was the ex-Chairman of China Sci-Tech Holdings Ltd. (985). According to a disclosure of interest notice dated 23rd April 2003, Mr. Chiu Tao was a shareholder of China Sci-Tech Holdings Ltd. (985) as at that date.
- 8 Beauforte Investors Corp. Ltd. (21) is 34.87% owned by Wonson International Holdings Ltd. (651).
- 9 China United International Holdings Ltd. (273) was a shareholder of Wonson International Holdings Ltd. (651) ("Wonson") according to a disclosure of interest notice dated 28 November 2000. Mr. Chiu Tao was a shareholder of Wonson according to a disclosure of interest notice dated 5th April, 2000.
- 10 Ms. Lo Ki Yan is a director of 139 Holdings Ltd (139).

- 11 Ms. Lo Ki Yan is a substantial shareholder of Unity Investments Holdings Ltd. (913) and holds 25.5% equity stake in the company. Based on the 2002 Annual Report, Unity Investments Holdings Ltd.'s investment portfolio as at 31st December, 2002 included China United International Holdings Ltd., Heritage International Holdings Ltd., Radford Capital Investment Ltd., Qualipak International Holdings Ltd. and Asia Standard International Group Ltd.. These five investments accounted for 22.87% of the investment portfolio.

The Company also announces that at the request of the SFC, it will as soon as practicable commence an investigation on the ownership of interest in the Company's shares ("Ownership Investigation") under s329 of the Securities and Futures Ordinance ("SFO"). Based on the limited scope of the Ownership Investigation for the period between 10th September, 2003 to 16th October, 2003 and the emphasis on shareholders with significant shareholding in the Company, the Company expects the investigation to be completed within a period of 3 months from commencement, barring unforeseen circumstances.

The SFC has stated in a letter to the Company's legal advisers dated 27th October, 2003 that, inter alia, "Based on information available to the Commission, we [the SFC] note a very close relationship between the shareholders of the Company and its investments". The Company will form its views on this statement after completion of the Ownership Investigation.

Reference is made to the Company's announcement dated 20th August, 2003 which stated, inter alia, that 90.04% of the issued shares of the Company were held by 16 shareholders as at 20th August, 2003. The closing prices of the Company's share as at 10th September, 2003 and 16th October, 2003 were HK\$0.54 and HK\$1.34 respectively. Accordingly, between 10th September, 2003 and 16th October, 2003 the Company's share price has increased by approximately 148%. As at 10th September, 2003, the Company's share price represents a premium of approximately 262% over the unaudited net asset value of the Company as at 31st August, 2003 (of HK\$0.149 per share). As at 16th October, 2003, the Company's share price represents a premium of approximately 824% over the unaudited net asset value of the Company as at 30th September, 2003 (of HK\$0.145 per share).

As at 28th October 2003, the only substantial shareholder of the Company is Hennabun Management Inc. ("HMI"), a 78.20% indirect non-wholly owned subsidiary of China United International Holdings Limited which, in turn, holds approximately 23.24% of the issued shares in the Company. During the period from 15th September, 2003 to 19th September, 2003, the Company was informed that HMI disposed of an aggregate of 52,920,000 shares in the Company at an average price of HK\$0.93 per share (before expenses), representing 5.19% of the issued share capital of the Company as at the date of this Announcement.

Reference is made to the Company's announcement dated 8th October, 2003 relating to the proposed placing of 408,000,000 shares by the Company to raise approximately HK\$163 million (before expenses). The placing agent, Chung Nam Securities Limited is a wholly-owned subsidiary of HMI, a substantial shareholder of the Company. In view of the suspension of trading in the shares of the Company, the placing agent has stopped all marketing efforts for the placing. The Company is, as at the date of this announcement, in negotiation with the placing agent as to the arrangements regarding the placing after the resumption of trading in the shares of the Company. The circular in relation to the proposed placing will be despatched on 30th October, 2003.

INVESTORS ARE REQUESTED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES OF THE COMPANY.

Trading in the shares of the Company is expected to resume with effect from 9:30 a.m. on 30th October, 2003, pending the instructions of the SFC to uplift the suspension.

By Order of the Board
Chung Yuk Lun
Chairman

Hong Kong, 29th October, 2003

Please also refer to the published version of this announcement in The Standard.