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RADFORD CAPITAL INVESTMENT LIMITED

萊福資本投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 901)

SUBSCRIPTION OF NEW SHARES AND RESUMPTION OF TRADING

SUBSCRIPTION

On 29 May 2007, the Company entered into a Subscription Agreement with the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe 284,078,810 new Shares at the Subscription Price of HK\$0.12 per Share. The Subscription Shares represent approximately 14.06% of the existing issued share capital of the Company and approximately 12.33% of the Company's issued share capital as enlarged by the Subscription.

The Subscription is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

RESUMPTION OF TRADING

Trading in the Shares has been suspended at the request of the Company with effect from 3:04 p.m. on 28 May 2007 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 31 May 2007.

This announcement is made further to the enquiry by the Stock Exchange on the unusual increases in the price and volume of the Shares on 28 May 2007. On 29 May 2007, the Company entered into a Subscription Agreement with the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe 284,078,810 new Shares at the Subscription Price of HK\$0.12 per Share.

SUBSCRIPTION OF NEW SHARES

The Subscription Agreement

Date: 29 May 2007

Parties

- (a) the Company
- (b) the Subscriber

The Subscriber is a wholly-owned subsidiary of Willie International Holdings Limited (Stock Code: 273), a company listed on the Stock Exchange. Willie International Holdings Limited is currently interested in 60,000,000 Shares, representing approximately 2.97% of the issued share capital of the Company, and Mr. Nakajima Toshiharu, an executive Director, is an independent non-executive director of Willie International Holdings Limited. Mr. Nakajima Toshiharu is not interested in any shares in Willie International Holdings Limited. He is interested in 14,250,000 Shares, representing approximately 0.71% of the existing issued share capital of the Company. Save as disclosed herein, to the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiry, each of the Subscriber and Willie International Holdings Limited is a third party independent of the Company and its connected persons.

Subscription Shares

284,078,810 new Shares, representing approximately 14.06% of the existing issued share capital of the Company, and approximately 12.33% of the issued share capital of the Company as enlarged by the Subscription.

After completion of the Subscription, the Subscriber and its parent company will be interested in an aggregate of 344,078,810 Shares, representing approximately 14.93% of the enlarged issued share capital of the Company, and will become a substantial shareholder and connected person of the Company. There will not be any change in the composition of the Board as a result of the introduction of the Subscriber to the Company.

Subscription Price

The Subscription Price of HK\$0.12 per Share was arrived at after arm's length negotiation between the Subscriber and the Company and after having considered the recent market price of the Shares.

The Subscription Price represents:

- (i) a discount of approximately 17.81% to the closing price of HK\$0.146 per Share as quoted on the Stock Exchange on 28 May 2007 immediately prior to the suspension in the trading of the Shares pending the release of this announcement;
- (ii) a discount of approximately 1.64% to the average of the closing price of HK\$0.122 per Share as quoted on the Stock Exchange for the last five trading days up to and including 28 May 2007; and
- (iii) a discount of approximately 0.83% to the closing price of HK\$0.121 per Share as quoted on the Stock Exchange on 25 May 2007, the last full trading day in the Shares prior to the suspension of trading on 28 May 2007.

The Subscription Shares have a market value of approximately HK\$41.475 million, based on the closing price of HK\$0.146 per Share on 28 May 2007 immediately prior to the suspension in the trading in the Shares. After deducting expenses relating to the Subscription, the net price per Subscription Share is approximately HK\$0.1193.

Conditions of the Subscription Agreement

Completion of the Subscription Agreement is conditional upon the listing of and permission to deal in the Subscription Shares being granted by the Listing Committee of the Stock Exchange.

In the event that the condition to the Subscription is not fulfilled on or before 30 June 2007 (or such later date as may be agreed between the parties), the Subscription Agreement and all rights and obligations thereunder will cease and terminate.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank *pari passu* in all respects with the Shares in issue on the completion date of the Subscription, including the right to any dividends or distribution after the date of completion of the Subscription.

Completion of the Subscription

Subject to fulfillment of the condition of the Subscription Agreement, completion of the Subscription will take place within two Business Days (or such later date as the parties may agree in writing) after the date when the condition set out above is satisfied.

General Mandate

The Subscription Shares will be issued under the general mandate granted by the Shareholders to the Directors pursuant to the resolution passed at the annual general meeting of the Company held on 23 May 2007. The Company has not issued any Shares pursuant to such general mandate.

EFFECT ON THE SHAREHOLDING OF THE COMPANY FOLLOWING COMPLETION OF THE SUBSCRIPTION

Set out below is the table of the shareholdings in the Company before and after completion of the Subscription:

Shareholders	Shareholding as at the date of this announcement		Shareholding upon completion of Subscription	
	<i>Number of Shares</i>	<i>approximate %</i>	<i>Number of Shares</i>	<i>approximate %</i>
Directors	34,050,000	1.69	34,050,000	1.48
Mr. Tung Fung Yuen, Victor	157,000,000	7.77	157,000,000	6.81
The Subscriber and its holding company	60,000,000	2.97	344,078,810	14.93
Other public shareholders	<u>1,769,344,050</u>	<u>87.57</u>	<u>1,769,344,050</u>	<u>76.78</u>
Total	<u>2,020,394,050</u>	<u>100</u>	<u>2,304,472,860</u>	<u>100</u>

CAPITAL-RAISING ACTIVITIES IN THE PAST 12 MONTHS

Apart from the capital raising activities mentioned below, the Company has not carried out other capital raising activities during the 12 months immediately preceding the date of this announcement. The actual use of proceeds of approximately HK\$68.12 million raised by the Company from the capital raising activities during the 12 months immediately preceding the date of this announcement are summarized below, which is in line with the intended use of proceeds as disclosed in the relevant announcements of the Company:

Date of announcement	Capital Raising Activity	Net Proceeds Raised (HK\$)	Intended use of proceeds	Actual Use of Proceeds
14 August 2006	Placing of 125,000,000 placing shares to independent third party	11.2 million	To be used for investment activities and future expansion on existing and new business	The entire HK\$11.2 million has been used for investment on listed shares
1 December 2006	Rights Issue	14.95 million	To be used for investment activities	The entire proceeds has been used for investment in unlisted convertible notes issued by a listed company
14 February 2007	Placing of 157,000,000 shares to an independent third party	10.99 million	To be used for investment purposes	The entire HK\$10.99 million has been used for investment in listed shares
28 March 2007	Placing of convertible notes of principal amount of HK\$40.8 million	30.98 million	To be used for investment purposes	The entire HK\$30.98 million has been used for investment in listed shares
	Total	<u>68.12 million</u>		

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Company is principally engaged in the business of investing in both listed and unlisted companies.

The Directors consider that the Subscription an appropriate means of raising additional capital for the Company without incurring interest costs whilst broadening the capital base of the Company. In addition, the introduction of Willie International Holdings Limited, the holding company of the Subscriber, as a substantial shareholder could potential increases the co-operation opportunities between the Company and Willie International Holdings Limited. Willie International Holdings Limited is principally engaged in the businesses of property investment, investment in securities trading, investment in energy related businesses and acquiring, exploring and developing natural resources. As the investment scope of Willie International Holdings Limited is to a certain degree similar to that of the Company, the Directors consider that forming co-operation arrangement with Willie International Holdings Limited in investment projects could potential enlarge the investment scale and scope of the Company and will be beneficial to the Company in the long run. No potential co-operation projects have been identified as at the date of this announcement and the Company will comply with the requirements for connected transactions as and where applicable in relation to any transactions with Willie International Holdings Limited.

The net proceeds from the Subscription is expected to be approximately HK\$33.9 million and will be used by the Company for investment purposes pursuant to the investment objectives of the Company. As at the date of this announcement, the Company has not identified any specific investment opportunities.

RESUMPTION OF TRADING

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Business Day”	any day (excluding Saturday and Sunday) on which banks are generally open for business in Hong Kong
“Company”	Radford Capital Investment Limited 萊福資本投資有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange

“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the meaning ascribed to such term in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board
“Share(s)”	ordinary share(s) of HK\$0.04 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Pearl Decade Limited, a company incorporated in the British Virgin Islands and is an independent third party
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 29 May 2007 entered into between the Company and the Subscriber in relation to the subscription of 284,078,810 Shares
“Subscription Price”	HK\$0.12 per Share

“substantial shareholder” has the meaning ascribed thereto under the Listing Rules

“%” per cent.

By order of the Board
Radford Capital Investment Limited
萊福資本投資有限公司
Chung Yuk Lun
Chairman

Hong Kong, 30 May 2007

As at the date of this announcement, the Board comprises Mr. Chung Yuk Lun, Mr. Nakajima Toshiharu and Mr. Shimazaki Koji as executive Directors; Mr. Chan Sze Hung, Mr. Wong Kai Cheong, Mr. Kan Kwok Shu, Albert and Mr. Wong Wai Man, Raymond as independent non-executive Directors.

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