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Techpacific Capital Limited
亞科資本有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8088)

DISCLOSEABLE TRANSACTION
AND
DISCLOSURE PURSUANT TO RULE 17.15 OF THE GEM LISTING RULES

On 7 December 2005 Coniston, a wholly owned subsidiary of the Company, advanced a loan of US\$9.5 million (HK\$74.1 million) to IB Daiwa to fund the consideration for the Darcy Merger.

The Loan constitutes a discloseable transaction of the Company under the GEM Listing Rules.

The Company will send a circular within 21 days after publication of this announcement setting out further details of the Loan and other information prescribed by the GEM Listing Rules.

INTRODUCTION

On 7 December 2005 Coniston, a wholly owned subsidiary of the Company advanced a loan of US\$9.5 million (HK\$74.1 million) to IB Daiwa.

The Loan is to be used exclusively towards funding the consideration payable in respect of the Darcy Merger and related transaction costs. The Loan is unsecured, bears interest at 10% per annum and is repayable in full on 1 June 2006. If the Loan is not repaid in full then default interest will be charged to IB Daiwa at 12% per annum (2% margin on the regular interest rate per annum) on the overdue amount by Coniston. If IB Daiwa may prepay the Loan (in whole or in part) prior to the maturity date and no penalty will be imposed on IB Daiwa in relation to such prepayment.

Coniston financed the Loan from a consortium of lenders, including the Company, which advanced a US\$1 million (HK\$7.8 million) loan from its own cash resources, and Independent Third Parties which advanced loans for the balance of US\$8.5 million (HK\$66.3 million) pursuant to various loan facility agreements dated 6 December 2005.

The financing bears interest at 8% per annum and is repayable in full on 2 June 2006. It is anticipated that the financing will be repaid from the repayment of the Loan. If the financing is not repaid in full then default interest will be charged to Coniston at 10% per annum (2% margin on the regular interest rate per annum) on the overdue amount by the financing obtained from the Independent Third Parties. Coniston may pre-pay the Loan (in whole or in part) prior to the maturity date and no penalty will be imposed on Coniston in relation to such prepayment.

* *For identification purpose only*

The financing obtained from the Independent Third Parties is secured by a total of 11.9 million shares of Crosby owned by the Company, subject to maintaining the ratio of the value of the security to the loan amount at 2 (i.e. if the share price of Crosby decreases then additional security may need to be provided to restore the ratio to 2), which based on the closing price of £0.86 (HK\$11.58) per Crosby Share on 8 December 2005 have a market value of £10,234,000 (HK\$137,851,980).

The Independent Third Parties who provided the financing are all corporate entities owned by high net worth individuals.

FINANCIAL EFFECTS OF THE LOAN ON THE GROUP

An arrangement fee of US\$200,000 (HK\$1,560,000) will be receivable by the Group on maturity of the Loan. The total interest receivable by the Group on maturity of the Loan, net of interest payable, will be US\$124,444 (HK\$970,663). All the expenses in connection with the Loan are to be borne by IB Daiwa. The basis on which the terms of the Loan were determined was based on arm's length negotiation based on an assessment of the credit worthiness of IB Daiwa and the margin made by the Group over the cost of its financing. The arrangement fee and the net interest receivable will be used for general working capital purposes.

The Directors', including the Independent Non-Executive Directors, believe that the terms of the Loan are fair and reasonable and in the interests of the shareholders as a whole.

BENEFITS OF THE LOAN TO THE GROUP

The Directors believe that the Loan will provide several benefits to the Group. Specifically, the Loan will:

- (a) Enable IB Daiwa to complete the Darcy Merger which should indirectly benefit the Group through the appreciation of its investment in IB Daiwa given the anticipated positive impact of the acquisition of Darcy Energy on the profits of IB Daiwa will be significant based on the directors of IB Daiwa view of the projections prepared by independent reserves auditors; and
- (b) Provide a commercial return to the Group in the form of the arrangement fee and interest receivable.

INFORMATION ON THE GROUP AND IB DAIWA

The Company is an investment holding company with two distinct businesses, which are (a) the "Techpacific Business" being the regional investment vehicle for start-up and seed capital investments in the technology sector and the technology venture capital business and (b) the "Crosby Business" being the independent cross border investment banking and asset management business. All corporate entities offering the Crosby Business are held by Crosby, 82.37% owned subsidiary of the Company, while corporate entities offering the Techpacific Business are all held by Techpacific Capital (Cayman) Limited, a 100% subsidiary of the Company.

IB Daiwa is incorporated in Japan and listed on JASDAQ (Stock code: 3587 JP). The principal activities of IB Daiwa have been the manufacture and sale of industrial use machine sewing thread and twisted yarns. It has also been involved in other businesses including investing and trading in real estate and the wholesale trading of food products. In June 2005, the shareholders of IB Daiwa elected and approved a new board of directors. The new board has begun to restructure the management and operations of IB Daiwa and has signified its intention to supplement the existing business with investments in the natural resources and oil and gas sectors. Crosby currently holds 22,000,000 IBD Shares representing

approximately 9.78% of IB Daiwa's existing issued share capital. Crosby also holds warrants to subscribe for 64,600,000 new IBD Shares. Crosby will also receive a further 34,325,000 IBD Shares on 15 December 2005 following the completion of the Offer. Following the completion of the Offer, but before the exercise by Crosby of any additional warrants to subscribe for IBD Shares, Crosby will own 56,325,000 IBD Shares representing approximately 17% of IB Daiwa's enlarged issued share capital. The board of IB Daiwa currently consists of 7 directors, 4 of whom are also senior executives of Crosby and one of whom is also a Director. Apart from the aforementioned, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, IB Daiwa and its shareholders are Independent Third Parties.

GENERAL

As at 30 June 2005, the value of the total assets of the Group was US\$107,434,000 (HK\$837,985,200) and the Loan therefore represents approximately 8.84% of such assets. By virtue of Rule 17.15 of the GEM Listing Rules, a general disclosure obligation arises as the aforementioned percentage ratios of the Loan exceed 8%.

Where the circumstances giving rise to a disclosure obligation under Rule 17.15 continue to exist at the Company's half yearly or quarterly period end or annual financial year end, the Company will comply with the relevant requirements under Rule 17.22 of the GEM Listing Rules, as at such period end or year end.

The Loan constitutes a discloseable transaction of the Company under the GEM Listing Rules.

The Company will send a circular within 21 days after publication of this announcement setting out further details of the transaction and other information prescribed by the GEM Listing Rules.

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“AIM”	The Alternative Investment Market of the London Stock Exchange plc.
“Board”	The board of directors of the Company.
“Company”	Techpacific Capital Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM (Stock code: 8088 HK).
“Coniston”	Coniston International Capital Limited, an investment holding company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company.
“Crosby”	Crosby Capital Partners Inc., a company incorporated in the Cayman Islands with limited liability whose shares are listed on AIM (Stock code: CSB LN) and an 82.37% owned subsidiary of the Company.
“Crosby Shares”	Ordinary shares in the capital of Crosby.

“Darcy Energy”	Darcy Energy, Ltd., an oil and gas company which owns exploration rights in certain producing oil and gas fields in the Gulf of Mexico off the coast of Louisiana in the United States of America. Its producing assets include Main Pass and East Cameron.
“Darcy Merger”	The merger agreed on 18 November 2005 pursuant to which IB Daiwa (through a series of directly and indirectly owned subsidiaries) has acquired 100% of Darcy Energy on 8 December 2005 for a total consideration of US\$57.5 million (HK\$448,500,000) in addition to which US\$4 million will be used to cover transaction expenses.
“Director(s)”	The Director(s) of the Company.
“GEM”	The Growth Enterprise Market of the Stock Exchange.
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM.
“Group”	The Company and its subsidiaries.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.
“IBD Shares”	Ordinary shares in the capital of IB Daiwa.
“IB Daiwa”	IB Daiwa Corporation, a company incorporated in Japan and listed on JASDAQ (Stock code: 3587 JP).
“Independent Third Parties”	Independent third parties not connected with the Company or its subsidiaries, its directors, chief executive, substantial shareholders or management shareholders or an associate of them (as defined in the GEM Listing Rules).
“JASDAQ”	Japan Securities Dealers Association Quotation System
“Loan”	The loan from Coniston to IB Daiwa in the amount of US\$9.5 million made on 8 December 2005.
“Lodore”	Lodore Resources Inc., a company incorporated in the Cayman Islands with limited liability whose shares are listed on AIM (Stock code: LRS LN).
“Lodore Shares”	Ordinary shares in the capital of Lodore.
“Offer”	Offer made by IB Daiwa to acquire 100% of the shares of Lodore in exchange for 1.599 IBD Shares for every 10 Lodore Shares.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“US\$”	United States Dollars, the lawful currency of the United States.
“£”	British Pounds, the lawful currency of the United Kingdom.

Note: Unless otherwise specified herein, amounts denominated in US\$ and £ in this announcement have been translated, for the purpose of illustration only, into Hong Kong dollar amounts using the rate of US\$1.00 = HK\$7.8 and £1.00: HK\$13.47. No representation is made that any amount in US\$ or £ or HK\$ could have been or could be converted at the above rates or at any other rates at all.

By Order of the Board
TECHPACIFIC CAPITAL LIMITED
Ilyas Tariq Khan
Chairman

Hong Kong, 13 December 2005

As at the date of this announcement, the Directors of the Company are:

<i>Executive Director:</i>	Johnny Chan Kok Chung
<i>Non-Executive Directors:</i>	Ilyas Tariq Khan and Ahmad S. Al-Khaled
<i>Independent Non-Executive Directors:</i>	Daniel Yen Tzu Chen, Peter McIntyre Koenig and Joseph Tong Tze Kay

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.techpacific.com.