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MASSIVE RESOURCES INTERNATIONAL CORPORATION LIMITED

駿雷國際有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 70)

- (1) VERY SUBSTANTIAL ACQUISITION –
ACQUISITION OF 100% EQUITY INTERESTS IN CREDIBLE LIMITED;
(2) PROPOSED SHARE CONSOLIDATION;
(3) PROPOSED OPEN OFFER ON THE BASIS OF
ONE OFFER SHARE FOR EVERY TWO CONSOLIDATED
SHARES HELD ON THE RECORD DATE;
(4) PROPOSED CHANGE OF COMPANY NAME;
AND
(5) RESUMPTION OF TRADING**

Financial adviser to Massive Resources International Corporation Limited



KINGSTON CORPORATE FINANCE LIMITED

Underwriters to the Open Offer

JUMBO BOOM HOLDINGS LIMITED



KINGSTON SECURITIES LIMITED

(1) VERY SUBSTANTIAL ACQUISITION

The Acquisition Agreement

The Company and Mr. Guo has entered into the Acquisition Agreement on 16 January 2007. Pursuant to the Acquisition Agreement, the Company has conditionally agreed to acquire and Mr. Guo has conditionally agreed to dispose of 100 shares of US\$1.00 each in the share capital of Credible, representing 100% of the entire issued share capital of Credible, free from any option, charge, lien, equity, encumbrance, rights of pre-emption or any other third party rights whatsoever and together with all rights attached to them at the date of Completion or subsequently becoming attached to them, at a total cash consideration of HK\$140,000,000. Credible holds a 20% equity interest in Base Move, a company which has entered into the Second Profit Agreement with Highest Increase to acquire 100% of its profit, being approximately 0.4% of the Rolling Turnover generated by Hou Wan (who has on 17 February 2005 entered into the Junket Representative Agreement and on 17 February 2006 renewed such Junket Representative Agreement with Venetian Macau Limited as a gaming promoter for Sands Macao) and/or its customers at the Chengdu VIP Club.

First Profit Agreement

On 9 January 2007, Highest Increase as purchaser entered into the First Profit Agreement with Hou Wan as vendor and Mr. Guo, the ultimate beneficial owner of Hou Wan, as guarantor. Pursuant to the First Profit Agreement, Hou Wan has conditionally agreed to sell, as beneficial owner, and/or assign and Mr. Guo has conditionally agreed to procure Hou Wan to sell and/or assign to Highest Increase absolutely Hou Wan's right, title and interest and benefits in and to 100% of the Profit, being 0.4% of the Rolling Turnover generated by Hou Wan and/or its customers at the Chengdu VIP Club gaming rooms commencing from the completion date of the First Profit Agreement and Highest Increase shall purchase/accept the assignment the Profit, free from all liens, claims, equities, charges, encumbrances or third-party rights of whatsoever nature and with all rights attached thereto as from the completion date of the First Profit Agreement.

Second Profit Agreement

On 9 January 2007, Highest Increase, Base Move and Mr. Guo entered into the Second Profit Agreement for the acquisition of the net profit of Highest Increase, being approximately 0.4% of the Rolling Turnover generated by Hou Wan and/or its customers at the Chengdu VIP Club. Pursuant to the Second Profit Agreement, Highest Increase has conditionally agreed to sell, as beneficial owner, and/or assign and Mr. Guo has conditionally agreed to procure Highest Increase to sell and/or assign to Base Move absolutely Highest Increase's right, title and interest and benefits in and to 100% of the Profit, being 0.4% of the Rolling Turnover generated by Hou Wan and/or its customers at the Chengdu VIP Club gaming rooms commencing from the completion date of the Second Profit Agreement and Base Move shall purchase/accept the assignment of the Profit, free from all liens, claims, equities, charges, encumbrances or third-party rights of whatsoever nature and with all rights attached thereto as from the completion date of the Second Profit Agreement.

Call Option

Certain Champ has, pursuant to an agreement dated 16 January 2007, granted to the Company the Call Option. The Call Option is, subject to Completion, exercisable by the Company within 24 months after Completion. The aggregate price for the exercise of the Call Option is HK\$350,000,000.

The Company has no current intention to exercise the Call Option. Further announcement will be made by the Company upon exercise of the Call Option.

Risk factors of junket business

The junket business operated by Hou Wan involved certain risk factors, details of such risk factors have been disclosed under the section headed "Risk Factors of Junket Business" herein.

(2) PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation pursuant to which every ten Existing Shares of HK\$0.02 each be consolidated into one Consolidated Share of HK\$0.2. As at the date of this announcement, the authorised share capital of the Company is HK\$1,000,000,000 divided into 50,000,000,000 Existing Shares of which 14,397,630,000 Existing Shares are in issue and are fully paid or credited as fully paid. As at the date of this announcement, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

(3) PROPOSED OPEN OFFER

The Company proposes to raise approximately HK\$143.98 million, before expenses, by issuing 719,881,500 Offer Shares at a price of HK\$0.2 per Offer Share by way of Open Offer, on the basis of one Offer Share for every two Consolidated Shares held on the Record Date and payable in full on acceptance.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfers of Shares must be lodged for registration with the Registrar by 4:00 p.m. on 3 April 2007 and the Shareholders are not Excluded Shareholders. The register of members of the Company will be closed from 4 April 2007 to 12 April 2007, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer.

Pursuant to the Underwriting Agreement, the Underwriters have conditionally agreed to underwrite, on a fully underwritten basis, all the Offer Shares not being taken up.

The estimated net proceeds from the Open Offer will be approximately HK\$140 million (net of expenses of approximately HK\$4 million). The Board intends to apply the net proceeds as to approximately HK\$140 million towards the Acquisition.

Warning of the risk of dealing in the Shares

Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from 2 April 2007 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 3 May 2007), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

(4) PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the Company name from “Massive Resources International Corporation Limited” to “Neptune Group Limited” to reflect the Company’s expansion plans into Macau as the Company owns a passage vessel with gaming facilities called “Neptune”, and as such the Directors believe that the Change of Company Name would be appropriate. Upon the change of name becoming effective, the Company will adopt “海王集團有限公司” as its new Chinese name.

(5) GENERAL

As some of the applicable percentage ratios as referred to in Chapter 14 of the Listing Rules are more than 100%, the Acquisition constitutes a very substantial acquisition on the part of the Company under Chapter 14 of the Listing Rules. Accordingly, the Acquisition is subject to the approval by the Shareholders at a general meeting under Rule 14.49 of the Listing Rules.

An EGM will be convened to consider and, if thought fit, approve (i) the Acquisition and the Call Option; (ii) the Share Consolidation; and (iii) the Change of Company Name. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, the details of (i) the Acquisition and the Call Option; (ii) the Share Consolidation; (iii) the Open Offer; and (iv) the Change of Company Name, together with a notice of the EGM will be despatched to the Shareholders as soon as practicable.

(6) SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on 17 January 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on 12 February 2007.

(1) VERY SUBSTANTIAL ACQUISITION

THE ACQUISITION AGREEMENT

Date : 16 January 2007

Parties

Purchaser : the Company
Vendor : Mr. Guo, an Independent Third Party
Others : Certain Champ and Hou Wan

Assets to be acquired

Pursuant to the Acquisition Agreement, the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of 100 shares of US\$1.00 each in the share capital of Credible, representing 100% of the entire issued share capital of Credible, free from any option, charge, lien, equity, encumbrance, rights of pre-emption or any other third party rights whatsoever and together with all rights attached to them at the date of Completion or subsequently becoming attached to them. Credible holds a 20% equity interest in Base Move, a company which has entered into the Second Profit Agreement with Highest Increase to acquire 100% of its profit, being approximately 0.4% of the Rolling Turnover generated by Hou Wan and/or its customers at the Chengdu VIP Club, one of the VIP gaming rooms owned by Sands Macao and which currently has 5 gaming tables.

Consideration

The total consideration for the Acquisition is HK\$140,000,000 and shall be satisfied in cash upon the Completion. The consideration was arrived at by reference to the track record of the Rolling Turnover of Hou Wan at Chengdu VIP Club during the period between July 2005 and October 2006, the number of gaming tables at the Chengdu VIP Club, the First Guaranteed Profit, the Second Guaranteed Profit, the Call Option and the research reports conducted by leading investment banks that made a revenue estimate of approximately HK\$300,000,000 a month to be derived from one gaming table of Baccarat (being the most accessible game in a VIP Club in Macau).

Conditions precedent

Completion is conditional upon the satisfaction and/or waiver of the following:

- (A) the Purchaser undertaking a due diligence investigation in respect of Credible, Base Move and Highest Increase including but not limited to the affairs, business, assets, results, legal and financing structure of Credible, Base Move and Highest Increase in particular, the Second Profit Agreement and the Purchaser being in its reasonable discretion satisfied with the results of such due diligence investigation;
- (B) the Purchaser having received to its reasonable satisfaction a Macanese legal opinion on the legality and validity of the Junket Representative Agreement and the First Profit Agreement and the transactions contemplated thereunder;
- (C) no event having occurred since the date of the Acquisition Agreement to Completion, the consequence of which is to materially and adversely affect the financial position, business or property, results of operations or business prospects of Credible, Base Move or Highest Increase and such material adverse effect shall not have been caused;
- (D) the warranties in the Acquisition Agreement remaining true and accurate and not misleading at Completion as if repeated at Completion and at all times between the date of the Acquisition Agreement and Completion;
- (E) the passing by the Shareholders at an extraordinary general meeting of the Company to be convened and held of an ordinary resolution to approve the Acquisition Agreement and the transactions contemplated thereunder; and
- (F) the Open Offer having been completed in all material respects.

FIRST PROFIT AGREEMENT

On 9 January 2007, Highest Increase as purchaser entered into the First Profit Agreement with Hou Wan as vendor and Mr. Guo, the ultimate beneficial owner of Hou Wan, as guarantor. The major terms of the First Profit Agreement are set out as follows:

Asset to be acquired

Hou Wan has on 17 February 2005 entered into the Junket Representative Agreement and on 17 February 2006 renewed such Junket Representative Agreement with Venetian Macau Limited as a gaming promoter for Sands Macao. Hou Wan has conditionally agreed to sell, as beneficial owner, and/or assign and Mr. Guo has conditionally agreed to procure Hou Wan to sell and/or assign to Highest Increase absolutely Hou Wan's right, title and interest and benefits in and to 100% of the Profit, being 0.4% of the Rolling Turnover generated by Hou Wan and/or its customers at the Chengdu VIP Club gaming rooms commencing from the completion date of the First Profit Agreement and Highest Increase shall purchase/accept the assignment of the Profit, free from all liens, claims, equities, charges, encumbrances or third-party rights of whatsoever nature and with all rights attached thereto as from the completion date of the First Profit Agreement.

Consideration

The consideration payable by Highest Increase to Hou Wan for the Profit sold and/or assigned is HK\$1.00.

Conditions

Completion of the First Profit Agreement is conditional upon the following conditions having been fulfilled or waived (as the case may be):

- (a) Highest Increase obtaining such legal opinions as it may in its absolute discretion require on, inter alia, the legality and enforceability of the junket operation conducted by Hou Wan at Sands Macao and the legality of the transactions contemplated thereunder;
- (b) the warranties given by Hou Wan in the First Profit Agreement remaining true and accurate in all material respects; and
- (c) Highest Increase being satisfied in its absolute discretion with the results of the due diligence investigation in respect of Hou Wan, including but not limited to the affairs, business, assets, legality of all business and commercial activities conducted at Sands Macao, any other due diligence relevant to the sale and purchase of the Profit, liabilities, operations, records, financial position, value of assets, accounts, results, legal and financing structure of Hou Wan.

Long-stop date

The First Profit Agreement provides that should the satisfaction of all the above conditions, if not waived by Highest Increase, not occur on or before 30 June 2007, the First Profit Agreement shall terminate.

Completion

Completion shall take place on the fifth Business Day or on such date as may be agreed between the parties after the last of the conditions of the First Profit Agreement having been fulfilled or waived.

SECOND PROFIT AGREEMENT

On 9 January 2007, Highest Increase, Base Move and Mr. Guo entered into the Second Profit Agreement for the acquisition of Highest Increase's right, title and interest and benefits in and to 0.4% of the Rolling Turnover generated by Hou Wan and/or its customers at the Chengdu VIP Club.

The major terms of the Second Profit Agreement are set out as follows:

Asset to be acquired

Highest Increase has conditionally agreed to sell, as beneficial owner, and/or assign and Mr. Guo has conditionally agreed to procure Highest Increase to sell and/or assign to Base Move absolutely Highest Increase's right, title and interest and benefits in and to 100% of the Profit, being 0.4% of the Rolling Turnover generated by Hou Wan and/or its customers at the Chengdu VIP Club gaming rooms commencing from the completion date of the Second Profit Agreement and Base Move shall purchase/accept the assignment of the Profit, free from all liens, claims, equities, charges, encumbrances or third-party rights of whatsoever nature and with all rights attached thereto as from the completion date of the Second Profit Agreement.

Consideration

The consideration payable by Base Move to Highest Increase for the Profit sold and/or assigned is HK\$1.00.

Conditions

Completion of the Second Profit Agreement is conditional upon the following conditions having been fulfilled or waived (as the case may be):

- (a) Base Move obtaining such legal opinions as it may in its absolute discretion require on, inter alia, the legality and enforceability of the junket operation conducted by Hou Wan at Sands Macao and the legality of the transactions contemplated thereunder;
- (b) the warranties given by Highest Increase in the Second Profit Agreement remaining true and accurate in all material respects; and
- (c) Base Move being satisfied in its absolute discretion with the results of the due diligence investigation in respect of Hou Wan, including but not limited to the affairs, business, assets, legality of all business and commercial activities conducted at Sands Macao, any other due diligence relevant to the sale and purchase of the Profit, liabilities, operations, records, financial position, value of assets, accounts, results, legal and financing structure of Hou Wan.

Long-stop date

The Second Profit Agreement provides that should the satisfaction of all the above conditions, if not waived by Base Move, not occur on or before 30 June 2007, the Second Profit Agreement shall terminate.

Completion

Completion shall take place on the fifth Business Day or on such date as may be agreed between the parties after the last of the conditions of the Second Profit Agreement having been fulfilled or waived.

Pursuant to the Second Profit Agreement, written evidence showing that the First Profit Agreement has become unconditional and completed shall be received by Base Move on completion of the Second Profit Agreement, otherwise completion on Second Profit Agreement shall not take place.

The Company understands that the arrangement of the First Profit Agreement and the Second Profit Agreement is for the purpose of ringfencing and ensuring there is no tax burden arising from the Profit for Base Move upon completion of the Acquisition. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries (including obtaining legal advice from the legal advisor to the Company), the First Profit Agreement and the Second Profit Agreement are legally enforceable.

THE CALL OPTION

Certain Champ has, pursuant to a call option agreement dated 16 January 2007, granted to the Company the Call Option. The Call Option is, subject to Completion, exercisable by the Company within 24 months from Completion. The aggregate price for the exercise of the Call Option is HK\$350,000,000 (with reference to the consideration of the Acquisition) and shall be satisfied in cash.

The Company has no current intention to exercise the Call Option. Further announcement will be made by the Company upon exercise of the Call Option.

DIRECTORS' VIEWS

As the Junket Representative Agreement is confidential, its major terms cannot be disclosed to the Directors. However, the Directors had (i) visited Sands Macao on various occasions to observe the level and operation of Hou Wan's business; (ii) reviewed the junket representative settlement forms issued by Sands Macao to Hou Wan evidencing the Rolling Turnover generated at Chengdu VIP Club; (iii) reviewed the licences issued to Hou Wan to operate its business and the Macanese legal opinion on the legality and validity of Hou Wan; and (iv) conducted extensive research on junket business in Macau, including reviewing reports prepared by well-known investment banks in relation to Macau gaming business and making enquiries with the practitioners in the gaming industry, in order to understand the arrangement between the junket operators and Sands Macao operators generally. The Directors understand that generally, the term of the agreement between the junket operator and Sands Macao operator is tied with the term of the junket licence. Such kind of agreement will be revoked once the renewal of the junket licence fails. Having reviewed the Junket Representative Agreement, the Macanese lawyers are of the view that Hou Wan is validly licensed to act as a gaming promoter in Macau. As such, the Directors have exercised their fiduciary duty to ensure that the Junket Representative Agreement does indeed exist and the interests of the Company and the Shareholders are protected in respect of the Acquisition.

Despite this, the Directors consider that the consideration is fair and reasonable given that:

(1) Benefits of the Acquisition

- (a) The right to the Profit under the Profit Agreements is for an unlimited period of time, instead of a fixed period of time. It enables the Company to continually enjoy the potential strong growth in Macau gaming business.
- (b) There is no share of loss under the Profit Agreements as the Profit is essentially based on 0.4% of the Rolling Turnover generated by Hou Wan and does not include expenses incurred by Hou Wan (which will be borne by Hou Wan).

The Company understands that Hou Wan receives monthly junket representative settlement forms signed off by Sands Macao. Therefore, based on such settlement forms, the monthly profit is calculated and ascertained. The Company will appoint representative to attend the monthly settlements of commission paid by Sands Macao to Hou Wan in the future and review those junket representative settlement for each month. The Company has indicated that, for each month, Sands Macao will pay to Hou Wan the commission/service fee for the Rolling Turnover brought by Hou Wan to Sands Macao. Hou Wan will then pay the Profit, being 0.4% Rolling Turnover, to Highest Increase and Highest Increase in turn will pay the Profit to Base Move.

(2) Mr. Guo's personal interest

Mr. Guo's personal interest lies with the failure and success of Hou Wan. Upon Completion, Mr. Guo still indirectly holds 80% equity interest in Base Move. That means he still has a substantial interest in Highest Increase, the one holding the Profit which depends on the renewal of Hou Wan's junket licence and partially on the Rolling Turnover generated by Hou Wan and/or its customers pursuant to the Junket Representative Arrangement.

In view of Mr. Guo's substantial interest in Base Move and Highest Increase and his abundance of experience in gaming industry, the Directors believe that, after Completion, Mr. Guo will continue to manage Hou Wan in a prudent and efficient manner as the performance of Hou Wan has a direct impact on him. As such, the risk of non-renewal of the junket licence and Junket Representative Arrangement upon expiry is minimized.

(3) Renewal of junket licence

The appointment of Hou Wan as a junket representative by Sands Macao, evidences Hou Wan's and Mr. Guo's credentials. Also, Hou Wan has renewed its junket licence from the Macau Government on 15 December 2006 and is valid until 31 December 2007. So far, the Company is not aware of any circumstance that makes Hou Wan unable to fulfill the probity requirement that it had fulfilled for the grant of the junket licence.

After balancing the risks as stated in the section headed "Risk Factors of Junket Business" below with the benefits of the Acquisition, including the Group's perpetual rights to the Profit, no share of loss by the Group and the source of the Profit under the Profit Agreements, the Directors consider that the consideration is fair and reasonable and the Acquisition is in the interest of the Company and the Shareholders as a whole.

The consideration is determined after arm's length negotiation between the Company and Mr. Guo after considering that (1) the Acquisition will broaden the Group's revenue source and provide a substantial and stable income source to the Group in view of the acquisition of the Profit by Base Move from Hou Wan under the Profit Agreements; (2) the loosening of travel restrictions of mainland Chinese visitors; and (3) the prospects of Macau's gaming business.

The Company considers acquiring a profit stream which has no share of loss under the Profit Agreements of Hou Wan will not prejudicially affect the Company. The Company understands that no guarantee has been given by Mr. Guo and Hou Wan under the Junket Representative Agreement.

As such, the Directors (including the independent non-executive Directors) consider the consideration for the Acquisition to be fair and reasonable. Please refer to the paragraph headed “Reasons for the Acquisition” for further details of the reasons for the Acquisition.

RISK FACTORS OF JUNKET BUSINESS

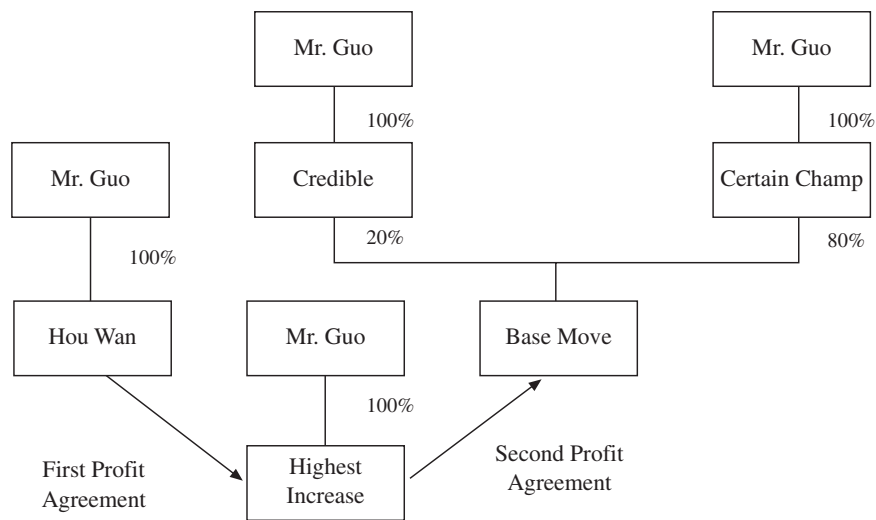
The following are the risk factors in relation to the junket business operated by Hou Wan:

- (1) The provision of junket business is competitive in general. There is no guarantee that the targeted customers of Hou Wan will not be lured away by other junket operators.
- (2) The Rolling Turnover generated by Hou Wan operating as a junket representative in Sands Macao relies on, among other factors, the attractiveness of Sands Macao to the prospective customers, Hou Wan’s ability to procure customers to Sands Macao, annual renewal of the junket licence of Hou Wan by the Macau Government, tenure of Hou Wan acting as junket representative for Sands Macao under the Junket Representative Agreement. There is no assurance that Sands Macao is always attractive. In the event that Hou Wan ceases to be committed to the junket business or cease to be appointed as junket representative by Sands Macao, the junket business, and thereby the Profit to be paid to Base Move, may be adversely affected. Moreover, if Hou Wan fails to obtain the renewal of its junket licence from the Macau Government, it can no longer operate its junket business and no Profit can be paid to Base Move as a result.
- (3) In the event that Sands Macao becomes the target for carrying out money laundering, the Rolling Turnover generated by Hou Wan may be affected and/or interrupted.
- (4) The availability of the Profit relating to the Rolling Turnover generated by Hou Wan at Sands Macao gaming rooms pursuant to the Junket Representative Agreement heavily depends on the subsistence of the Junket Representative Agreement and on whether the Junket Representative Agreement can be successfully renewed. The Junket Representative Agreement may or may not be renewed by Sands Macao at the expiry of the term of the Junket Representative Agreement. In general, the term of agreement between the junket operator and Sands Macao operator is tied with the term of the junket licence. Therefore, the term of the Junket Representative Agreement can also be tied with the term of Hou Wan’s junket licence, which is valid for one year.
- (5) As the Profit is sourced from Rolling Turnover generated by Hou Wan and/or its customers pursuant to the Junket Representative Agreement, there is a risk that the source of the Profit will cease if the Junket Representative Agreement expires or the junket licence of Hou Wan cannot be renewed.
- (6) The Junket Representative Agreement may be terminated at any time by either party thereto.
- (7) The term of the Junket Representative Agreement is substantially shorter than that of the Profit Agreements and may or may not be renewable upon expiry.

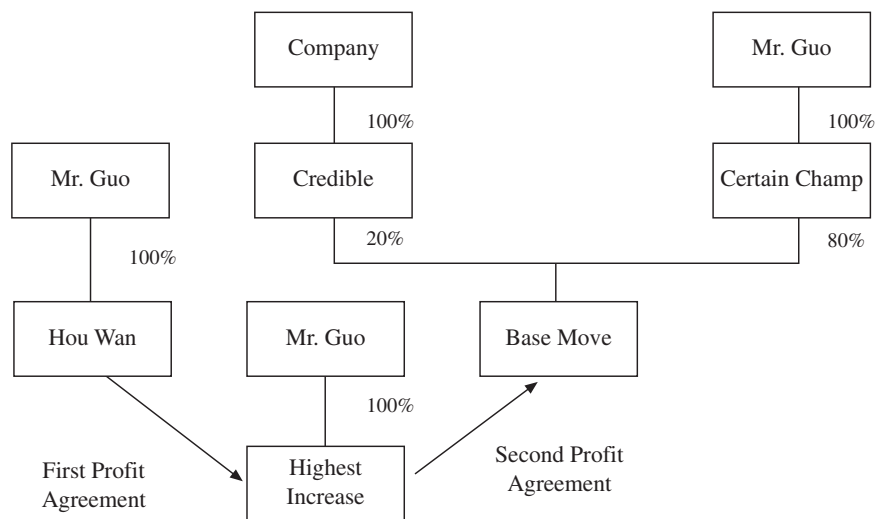
- (8) The Company is not a party to the Junket Representative Agreement and therefore it has no control on the termination and the renewal of the Junket Representative Agreement.
- (9) The junket licence of Hou Wan granted by the Macau Government is subject to renewal annually.
- (10) Sands Macao's licence may be revoked by the Macau Government.
- (11) There is a possibility that another junket representative could be appointed at Chengdu VIP Club and if this is the case, the Profit would be affected.

SHAREHOLDING STRUCTURE OF THE RELEVANT ENTITIES AND THE COMPANY

The diagram below shows the shareholding structure of the relevant entities immediately before Completion:



The diagram below shows the shareholding structure of the relevant entities immediately after Completion:



GUARANTEED PROFIT

Hou Wan has irrevocably and unconditionally guaranteed to Highest Increase that the annual Profit during the period of one year commencing from the date of Completion (“First Relevant Period”) shall not be less than HK\$120,000,000 (“First Guaranteed Profit”). In the event the Profit received and/or receivable by Highest Increase for the First Relevant Period shall be less than HK\$120,000,000, Hou Wan undertakes to pay to Highest Increase the sum calculated in accordance with the following formula (the “First Adjustment”) within 60 days after the First Relevant Period (provided that the First Adjustment shall not be more than HK\$ 120,000,000):

$$\text{First Adjustment} = (A1 - B1) \times 5$$

where:

A1 = HK\$120,000,000

B1 = the Profit received and/or receivable by Highest Increase during the First Relevant Period

and if the resulting First Adjustment shall be a negative figure, Highest Increase shall not be required to pay any adjustment for the First Relevant Period.

In addition, Hou Wan has also irrevocably and unconditionally guaranteed to Highest Increase that the Profit during the period of one year commencing from the first day after the First Relevant Period (“Second Relevant Period”) shall not be less than HK\$132,000,000 (“Second Guaranteed Profit”). In the event the Profit received and/or receivable by Highest Increase for the Second Relevant Period shall be less than HK\$132,000,000, Hou Wan undertakes to pay to Highest Increase the sum calculated in accordance with the following formula (the “Second Adjustment”) within 60 days after the Second Relevant Period (provided that the Second Adjustment shall not be more than HK\$132,000,000):

$$\text{Second Adjustment} = (A2 - B2) \times 4$$

where:

A2 = HK\$132,000,000

B2 = the Profit received and/or receivable by Highest Increase for the Second Relevant Period

and if the resulting Second Adjustment shall be a negative figure, Hou Wan shall not be required to pay any adjustment for the Second Relevant Period. The Guaranteed Profit is still valid in the event that Hou Wan failed to obtain a junket licence from the Macau Government.

The Guaranteed Profit is determined under arm’s length negotiation between relevant parties by reference to the performance of Hou Wan (the Company was given to understand by Hou Wan that the Rolling Turnover per annum in average was approximately HK\$30 billion) and, as a reference to the market condition of the gaming industry, research reports conducted by leading investment banks that made a revenue estimate of approximately HK\$300,000,000 a month to be derived from one gaming table of Baccarat (being the most accessible game in a VIP Club in Macau).

Mr. Guo has agreed to guarantee the obligations of Hou Wan under the First Profit Agreement.

INFORMATION OF THE TARGET GROUP

Information of Credible

Credible was incorporated on 13 November 2006 and is an investment holding company.

The main asset of Credible is its 20% equity interest in Base Move. According to the unaudited management accounts of Credible, the total assets of Credible as at 31 December 2006 is HK\$780 and Credible has no liability as at 31 December 2006. There is no profit or loss recorded in the unaudited management accounts of Credible for the period commencing on 13 November 2006 (the date of its incorporation) to 31 December 2006.

Information of Base Move

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Base Move is an investment holding company incorporated in the British Virgin Islands on 22 September 2006, and owned as to 20% by Credible and 80% by Certain Champ (wholly owned by Mr. Guo). To the best of the Directors' knowledge, other than the Second Profit Agreement, Base Move does not have any assets or liabilities nor does it has any profit or loss recorded as at the date of this announcement. Mr. Guo has over 15-year experiences in the gaming industry (both in Asia and North America). He has been working as a junket in various VIP Clubs in Macau (including the Chengdu VIP Club at Sands Macao), responsible for introducing customers to the VIP Club. Mr. Guo is the founder of Hou Wan and has through Hou Wan acted as a junket representative for Sands Macao since July 2005.

Hou Wan is a company incorporated in Macau on 9 November 2004 and is wholly-owned by Mr. Guo.

So far as the Directors are aware, Hou Wan with its first junket license granted on 17 August 2005 is the only appointed junket representative at Chengdu VIP Club. The Profit Agreements do not provide for the profit of other VIP Clubs to be included as part of the Profit and there is currently no intention for Hou Wan to be a junket representative of other VIP Clubs. Acting as a junket representative at Sands Macao is the only track record that Hou Wan has in respect of its operation as a junket representative. Other than being a junket representative, Hou Wan does not engage in any other business. As at the date of this announcement, the Company has been informed that Hou Wan has approximately 500 junket agents. The licence granted to Hou Wan for acting as a junket operator is valid for one year and is renewable. Hou Wan's re-newed licence has been granted on 15 December 2006 and is valid until 31 December 2007. In relation to the requirements for obtaining a junket licence from the Macau Government, the licence can only be granted when the applicant is found to comply with the probity requirements. If the applicant is a corporate gaming operator, the probity requirements also apply to its shareholder with 5% or more of the share capital and its key employees. The applicant, when submitting an application request, has to produce, among other things, a questionnaire to ascertain the probity of the applicant. To consider whether the applicant fulfill the probity requirement, the relevant authorities of the Macau Government will consider the information provided by the applicant in the questionnaire, including

its corporate, business and financial information, information regarding its key employees and shareholders, judicial litigation and governmental investigation, bankruptcy and insolvency, its previous experience in junket business. The relevant authorities will also consider the information provided by the corporate applicant's shareholder with 5% or more of the share capital and key employees, including their personal and family background, their financial information and civil proceedings or criminal investigation that they may be involved. To the best knowledge of the Directors, the role of Sands Macao in renewing the junket representative license for Hou Wan is to issue a letter to the relevant government department in Macau confirming that the gaming promoter continues to be a gaming promoter for Sands Macao.

As a junket representative, being an independent contractor responsible for soliciting customers to casinos, Hou Wan is primarily responsible for directing gaming customers to Sands Macao and using its best endeavors to actively promote Sands Macao to existing and potential customers. It receives a commission on the Rolling Turnover from Sands Macao. The net profit it receives, after deducting commission paid by it to its agents, administrative expenses and tax payable to the Macau Government, is approximately 0.4% of the Rolling Turnover.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Base Move, Mr. Guo and their ultimate beneficial owners, are Independent Third Parties and all of them are independent of and not connected with the Directors and their respective associates.

REASONS FOR THE ACQUISITION

The principal activities of the Group are manufacturing and trading of electrical equipment, provision of electrical engineering and contracting services, securities trading, and leasing and management of cruise.

Sands Macao is operated by Venetian Macau Limited, a subsidiary of Las Vegas Sands Corp., the securities of which are listed on the New York Stock Exchange. Based on the monthly junket representative settlement forms, which are the official invoices issued to Hou Wan by Sands Macao evidencing the Rolling Turnover and the commission of Hou Wan, the unaudited Rolling Turnover generated by Hou Wan for the period between July 2005 and October 2006 amounted to approximately HK\$44.34 billion.

In view of the recent economy of Macau and the prospects of Macau's gaming business, the Directors believe that the Acquisition will broaden the Group's revenue sources and provide a stable income stream to the Group. Accordingly, the Directors consider that the terms of the Acquisition Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LAWS OF HONG KONG AND THE LISTING RULES

As covered by the legal opinion as the Macau law, Hou Wan is validly licensed to act as a gaming promoter (or junket) in Macau. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Sands Macao is licensed to operate junket business and gaming business by the relevant authorities in Macau.

Shareholders should be aware that under the guidelines issued by the Stock Exchange in relation to “Gambling activities undertaken by listing applicants and/or listed issuers” dated 11 March 2003, should the Group directly or indirectly be engaged in gambling activities and operation of such gambling activities (i) fail to comply with the applicable laws in the areas where such activities operate and/or (ii) contravene the Gambling Ordinance, the Company or its business may be considered unsuitable for listing under Rule 18.04 of the Listing Rules, the Stock Exchange may direct the Company to take remedial action, and/or may suspend dealings in, or may cancel the listing of, the Shares.

In relation to the prevention of the money laundering activities, as both Hou Wan and Sands Macao are respectively licensed to operate junket business and gaming business by the relevant authorities in Macau and the amount of bet/Rolling Turnover is properly registered by both Hou Wan and Sands Macao, their gaming activities and businesses are subject to stringent control and regulation of the Macau Government. As their activities are under the regulation of the Macau Government and covered by a local legal opinion (as to Hong Kong law) that the gaming promotion businesses carried out by Hou Wan do not contravene any applicable laws of Hong Kong, the Directors, based on the legal opinions issued by Macanese lawyer and Hong Kong lawyer, confirms that the activities they participate are legal and lawful and thereby the income derived from these activities is also be lawful and proper.

Apart from relying on such stringent official control, the Company, with the aid of Mr. Ban Wan, an chief executive officer in the Company who has been working in the gaming industry in Macau and passage vessel with gaming facilities for about 20 years (of which he has participated in the management level of gaming industry for about 10 years), will also use its best endeavours to procure that effective internal control systems are in place to make sure that the dividend distributed from Base Move is derived from proper source, for instance, the Company will adopt the guideline set by the Hong Kong Monetary Authority in formulating anti-money laundering measures. The Company will also cross-check the Profit received and/or receivable with the original monthly junket representative settlement forms issued by Sands Macao to Hou Wan. Further, the Company will from time to time obtain direct confirmation in respect of the Rolling Turnover generated by Hou Wan from Sands Macao.

LISTING RULES IMPLICATION

As the relevant ratios as referred to in Chapter 14 of the Listing Rules are 100% or more, the Acquisition constitutes a very substantial acquisition on the part of the Company under Chapter 14 of the Listing Rules.

Accordingly, the Acquisition is subject to, among other things, the approval by the Shareholders at the EGM. No Shareholder has an interest in the Acquisition and is required to abstain from voting at the EGM.

A circular containing, among other things, further information in respect of the Acquisition, together with the notice of the EGM will be despatched to the Shareholders in accordance with the Listing Rules. The circular will contain additional disclosures as required under the Stock Exchange Gambling Guidelines.

(2) PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation pursuant to which every ten Existing Shares of HK\$0.02 each be consolidated into one Consolidated Share of HK\$0.2. As at the date of this announcement, the authorised share capital of the Company is HK\$1,000,000,000 divided into 50,000,000,000 Existing Shares of which 14,397,630,000 Existing Shares are in issue and are fully paid or credited as fully paid. As at the date of this announcement, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Effects of the Share Consolidation

The Consolidated Shares will rank pari passu in all respects with the Existing Shares in issue prior to the Share Consolidation becoming effective and there will be no change in the respective rights of the Shareholders. Fractional Consolidated Shares will not be issued by the Company to the Shareholders. Any fractional entitlements of the Consolidated Shares will be aggregated and sold for the benefit of the Company. Board lot size for trading in the Consolidated Shares will remain unchanged at 10,000 Consolidated Shares per board lot, which is the same board lot size for trading in the Existing Shares on the Stock Exchange. Based on the closing price of HK\$0.22 per Consolidated Share (assuming the Share Consolidation becoming effective) on the Last Trading Date, the value of each board lot of 10,000 Consolidated Shares would be HK\$2,200.

The effects of the Share Consolidation on the share capital of the Company is set out under the section headed “Effects of the Share Consolidation on the share capital of the Company” in this announcement. Other than the expenses to be incurred by the Company in relation to the Share Consolidation, the implementation thereof will not, by itself, affect the underlying assets, business operations, management or financial position of the Group or the interests of the Shareholders as a whole (including the respective rights of the Shareholders).

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions having been fulfilled:

- (a) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective.

Reasons for the Share Consolidation

Taking into account that the Share Consolidation will increase the nominal value of the Existing Shares and their trading price per board lot, and hence reducing the overall transaction and handling costs for dealings in the Consolidated Shares, the Directors are of the view that the Share Consolidation is in the interests of the Company and the Shareholders a whole and recommend the Shareholders to vote in favour of the ordinary resolution for approval of the Share Consolidation at the EGM.

Application for listing

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Arrangement for odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company has appointed Kingston Securities to match the purchase and sale of odd lots of the Consolidated Shares at the relevant market price per Consolidated Share for the period from 29 March 2007 to 9 May 2007 (both dates inclusive). Holders of odd lots of the Consolidated Shares who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or top up to a full board lot may, directly or through their brokers, contact Ms. Rosita Kiu (Tel.: 2298-6215 and Fax: 2295-0682) of Kingston Securities during this period. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot facility, is recommended to consult his/her/its own professional advisers.

Trading arrangement for the Consolidated Shares

The detailed trading arrangement for the Share Consolidation will be set out in the circular, which shall contain, inter alia, further information on the Share Consolidation, to be despatched to the Shareholders. A further announcement will be made when the expected timetable is available.

Free exchange of share certificates

Shareholders may exchange their share certificates for the Existing Shares for new share certificates for the Consolidated Shares on or after 29 March 2007. This may be done free of charge by delivering the share certificates for the Existing Shares to the office of the Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, during the period from 29 March 2007 to 16 May 2007 (both dates inclusive). After the prescribed time for free exchange of share certificates, share certificates for the Existing Shares will be accepted for exchange for share certificates for the Consolidated Shares only on payment of a fee of HK\$2.50 (or such higher amount as may be stipulated by the Stock Exchange from time to time) for each new share certificate to be issued or each old share certificate submitted, whichever number of share certificates is higher, to the Registrar for exchange of share certificates.

It is expected that new share certificates for the Consolidated Shares will be available for collection on or after the tenth Business Day from the date of submission of the certificates for the Existing Shares to the Registrar. Unless otherwise instructed, new share certificates for the Consolidated Shares will be issued in board lots of 10,000 Consolidated Shares.

Effect of the Share Consolidation on the share capital of the Company

The following table shows the total authorised share capital of the Company as at the date of this announcement and immediately after the Share consolidation becoming effective:

	As at the date of this announcement		Immediately after the Share Consolidation becoming effective	
	<i>Number of Existing Shares</i>	<i>HK\$</i>	<i>Number of Consolidated Shares</i>	<i>HK\$</i>
Total authorised	50,000,000,000	1,000,000,000	5,000,000,000	1,000,000,000
Total issued	14,397,630,000	287,952,600	1,439,763,000	287,952,600
Total unissued	35,602,370,000	712,047,400	3,560,237,000	712,047,400

(3) PROPOSED OPEN OFFER

Issue statistics

Basis of the Open Offer	:	One Offer Share for every two Consolidated Shares held on the Record Date
Subscription Price	:	HK\$0.2 per Offer Share
Number of Existing Shares in issue as at the date of this announcement and Consolidated Shares assuming the Share Consolidation becoming effective	:	14,397,630,000 Existing Shares (equivalent to 1,439,763,000 Consolidated Shares)
Number of Offer Shares	:	719,881,500 Offer Shares
Number of Offer Shares underwritten by the Underwriters	:	Pursuant to the Underwriting Agreement, the Underwriters have conditionally agreed to underwrite 719,881,500 Offer Shares (of which Jumbo Boom underwrites 621,977,616 Offer Shares in the first place and Kingston Securities underwrites the remaining 97,903,884 Offer Shares on the second place) on a fully underwritten basis
Number of Consolidated Shares in issue upon completion of the Open Offer	:	2,159,644,500 Consolidated Shares

The Offer Shares proposed to be issued pursuant to the terms of the Open Offer represent 50% of the entire issued share capital of the Company upon the Share Consolidation becoming effective and approximately 33.33% of the entire issued share capital of the Company as enlarged by the issue of the Offer Shares.

As at the date of this announcement, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders and (ii) the Overseas Letter together with the Prospectus, for information only, to the Excluded Shareholders. To qualify for the Open Offer, the Shareholders must at the close of business on the Record Date:

- (i) be registered on the register of members of the Company; and
- (ii) not being Excluded Shareholders.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar by 4:00 p.m. on 3 April 2007. The address of the Registrar is:

Computershare Hong Kong Investor Services Limited
Rooms 1712-16, 17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable. There will not be any trading in nil-paid entitlements on the Stock Exchange and the Qualifying Shareholders will not be entitled to subscribe for any Offer Shares in excess of their respective assured entitlements. In the view that each Qualifying Shareholder will be given equal and fair opportunities to participate in the Company's future development and thereby entitling to subscribe for his/her respective Offer Shares without discrimination at the same price at an attractive discount to the Share price as at the Latest Trading Date in proportion to his/her existing shareholding of the Company, the Directors are of the opinion that the Company will not attempt to serve additional effort and extra administration work to consider the allocation basis to accommodate any Offer Shares not validly applied for by the Shareholders in the event that the Open Offer is under-subscribed.

Rights of the Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's registered address and correspondence address on the register of members of the Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Open Offer as the Prospectus Documents are not expected to be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong. The Board will make enquiries to its lawyers as to whether the issue of Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange pursuant to Rule 13.36(2)(a) of the Listing Rules. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient not to offer Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Excluded Shareholders. The results of the enquiries and the basis of exclusion of Overseas Shareholders will be disclosed in the Prospectus.

The Company will send (i) the Prospectus Documents to the Qualifying Shareholders and (ii) the Overseas Letter together with the Prospectus, for information only, to the Excluded Shareholders.

Closure of register of members

The register of members of the Company will be closed from 4 April 2007 to 12 April 2007, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer. No transfer of Shares will be registered during this period.

Subscription Price

The Subscription Price for the Offer Shares is HK\$0.2 per Offer Share, payable in full on application. The Subscription Price represents:

- (i) a discount of approximately 9.09% to the closing price of HK\$0.22 per Consolidated Share (assuming the Share Consolidation becoming effective) as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a premium of approximately 1.01% to the average closing prices of HK\$0.198 per Consolidated Share (assuming the Share Consolidation becoming effective) for the last five consecutive trading days up to and including the Last Trading Date;
- (iii) a premium of approximately 5.82% to the average closing prices of HK\$0.189 per Consolidated Share (assuming the Share Consolidation becoming effective) for the last ten consecutive trading days up to and including the Last Trading Date;
- (iv) a discount of approximately 6.10% to the theoretical ex-entitlement price of approximately HK\$0.213 per Consolidated Share (assuming the Share Consolidation becoming effective) based on the closing price of HK\$0.22 as quoted on the Stock Exchange on the Last Trading Date; and
- (v) a premium of approximately 19.76% over the audited net asset value per Consolidated Share of approximately HK\$0.167 based on the audited consolidated net asset value of the Group as at 30 June 2006 as shown in the annual report 2006 of the Company for the year ended 30 June 2006 and the number of the Consolidated Shares in issue immediately after the Share Consolidation becoming effective but before the completion of the Open Offer.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriters after having taken into account, among other things, (i) the recent price performance of the Shares and (ii) the potential investment opportunity to the Shareholders. The Directors consider that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Offer Shares

The Offer Shares (when allotted, fully paid and issued) will rank pari passu in all respects with the Consolidated Shares (assuming the Share Consolidation becoming effective) in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Fractions of Offer Shares

The Company will not allot fractions of the Offer Shares. Any fractional entitlement to the Offer Shares will be aggregated and sold in the open market (if a premium, net of expenses, can be obtained) and the proceeds will be retained for the Company's own benefits.

Certificates of the Offer Shares

Subject to fulfillment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted on or before 8 May 2007 to those entitled thereto by ordinary post at their own risk.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares will be subject to the payment of stamp duty in Hong Kong.

UNDERWRITING ARRANGEMENTS

Underwriting Agreement

Date	:	16 January 2007
Underwriters	:	Jumbo Boom and Kingston Securities
Number of Offer Shares underwritten	:	Pursuant to the Underwriting Agreement, the Underwriters have conditionally agreed to underwrite 719,881,500 Offer Shares (of which Jumbo Boom underwrites 621,977,616 Offer Shares in the first place and Kingston Securities underwrites the remaining 97,903,884 Offer Shares on the second place) on a fully underwritten basis
Commission	:	2.5% of the aggregate Subscription Price in respect of the number of Offer Shares agreed to be underwritten by the Underwriters

Pursuant to the Underwriting Agreement, the Underwriters have conditionally agreed to underwrite all the Offer Shares not being taken up. Accordingly, the Open Offer is fully underwritten. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Underwriters and their respective ultimate beneficial owners are third parties independent of and not connected with each other, the Company and its connected persons.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Jumbo Boom, which generally does not engage in underwriting business and has no underwriting experience as at the date of this announcement, is not required to procure license to conduct underwriting on the Offer Shares under the Securities and Futures Ordinance. Jumbo Boom is an investment company incorporated in the British Virgin Islands and beneficially owned by Mr. Cheung Chi Tai who is a merchant in Hong Kong. The Company got acquainted with Jumbo Boom through Kingston Securities. Jumbo Boom is willing to become one of the underwriters for the Open Offer because it is confident about the future growth of the Company.

The 2.5% commission payable to the Underwriter was determined after arm's length negotiations between the Company and the Underwriters based on normal commercial terms and with reference to the market rates.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (1) in the reasonable opinion of Kingston Securities (on behalf of the Underwriters), the success of the Open Offer would be materially and adversely affected by:**
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of Kingston Securities (on behalf of the Underwriters) materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or**
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic, or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of Kingston Securities (on behalf of the Underwriters) materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or**
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of Kingston Securities (on behalf of the Underwriters) is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or**
- (3) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of Kingston Securities (on behalf of the Underwriters) will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or**
- (4) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than seven consecutive Business Days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,**

Kingston Securities (on behalf of the Underwriters) shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Kingston Securities (on behalf of the Underwriters) shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriters; or**
- (2) any Specified Event comes to knowledge of the Underwriters,**

then and, in such case, Kingston Securities (on behalf of the Underwriters) may, by notice in writing given to the Company prior to the Latest time for Termination, rescinds the Underwriting Agreement and thereupon the obligations of all parties under the Underwriting Agreement shall terminate forthwith and no party shall have any claim against any other party in respect of any matter or thing arising out of and in connection with the Underwriting Agreement (save for any antecedent breaches thereof) and the Open Offer shall not proceed.

Conditions of the Open Offer

The Open Offer is conditional upon:

- (1) the passing of an ordinary resolution at the EGM to approve:**
 - (i) the Acquisition; and**
 - (ii) the Share Consolidation;**
- (2) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and Companies Ordinance not later than the despatch of the Prospectus;**
- (3) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the date of the Prospectus; and**
- (4) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares.**

In the event of the said conditions not being fulfilled before the Latest Time for Termination or the respective dates aforesaid (or such other time or date as the Company and Kingston Securities (on behalf of the Underwriters) may agree), the Underwriting Agreement shall terminate and all obligations and liabilities of the parties thereunder shall forthwith cease and determine and no party shall have any claim against the others (save for any antecedent breaches thereof).

WARNING OF THE RISK OF DEALING IN THE SHARES

Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed “Termination of the Underwriting Agreement” above). Accordingly, the Open Offer may or may not proceed.

Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from 2 April 2007 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 3 May 2007), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following illustrates the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after the Share Consolidation and before the Open Offer, and (iii) immediately after completion of the Open Offer:

	As at the date of this announcement		Immediately after Share Consolidation and before Open Offer		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders take up his/her/its entitlements under the Open Offer)		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders take up his/her/its entitlements under the Open Offer)	
	Existing Shares	%	Consolidated Shares	%	Consolidated Shares	%	Consolidated Shares	%
	(Approx.)		(Approx.)		(Approx.)		(Approx.)	
Mr. Lin Cheuk Fung (Note 1)	1,500,000,000	10.42	150,000,000	10.42	150,000,000	6.95	225,000,000	10.42
Mr. Chim Pui Chung (Note 2)	1,835,960,000	12.75	183,596,000	12.75	183,596,000	8.50	275,394,000	12.75
Underwriters (Note 3):								
– Jumbo Boom (1st place)	–	–	–	–	621,977,616	28.80	–	–
– Kingston Securities (2nd place)	–	–	–	–	97,903,884	4.53	–	–
Other public Shareholders	11,061,670,000	76.83	1,106,167,000	76.83	1,106,167,000	51.22	1,659,250,500	76.83
Total	14,397,630,000	100.00	1,439,763,000	100.00	2,159,644,500	100.00	2,159,644,500	100.00

Notes:

- Mr. Lin Cheuk Fung is an executive Director and the chairman of the Company. These Shares are held by Mr. Lin Cheuk Fung personally.
- Mr. Chim Pui Chung is a substantial Shareholder. As at the date of this announcement, of the 1,835,960,000 Existing Shares, as to 1,264,220,000 Existing Shares are held by Gallery Land Ltd (a company wholly-owned by Mr. Chim Pui Chung), as to 568,800,000 Existing Shares are held by Golden Mount Ltd (a company wholly-owned by Mr. Chim Pui Chung) and as to 2,940,000 Existing Shares are held by Mr. Chim Pui Chung personally.

3. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Underwriters and their respective ultimate beneficial owners are third parties independent of and not connected with each other, the Company and its connected persons.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The principal activities of the Group are manufacturing and trading of electrical equipment, provision of electrical engineering and contracting services, securities trading, and leasing and management of cruise.

The estimated net proceeds from the Open Offer will be approximately HK\$140 million (net of expenses of approximately HK\$4 million). The Board intends to apply the net proceeds as to approximately HK\$140 million towards the Acquisition.

The estimated expense in relation to the Open Offer of approximately HK\$4 million, will be borne by the Company. The Board has considered various fund raising methods apart from the Open Offer, including banking finance and issue of convertible securities, and concludes that the Open Offer is in the best interests of the Company and its Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so. **However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

FUND RAISING ACTIVITIES OF THE COMPANY IN THE LAST TWELVE MONTHS IMMEDIATELY BEFORE THE DATE OF THIS ANNOUNCEMENT

The Company did not have any capital raising activities in the last twelve months immediately before the date of this announcement.

(4) PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the Company name from "Massive Resources International Corporation Limited" to "Neptune Group Limited" to reflect the Company's expansion plans into Macau as the Company owns a passage vessel with gaming facilities called "Neptune", and as such the Directors believe that the Change of Company Name would be appropriate. Upon the change of name becoming effective, the Company will adopt "海王集團有限公司" as its new Chinese name. The Change of Company Name is subject to, among other things, the followings:

- (i) the passing of a special resolution by the Shareholders to approve the Change of Company Name at the EGM; and
- (ii) the granting of the approval by the Registrar of Companies in Hong Kong for the Change of Company Name.

The effective date of the Change of Company Name will be the date on which the new name is entered by the Registrar of Companies in Hong Kong on the register in place of the existing name. Upon the Change of Company Name becoming effective, all existing share certificates in issue bearing the current name of the Company will continue to be evidence of title of shares in the Company and will continue to be valid for trading, settlement and registration purposes and the rights of the Shareholders will not be affected as a result of the Change of Company Name. Once the Change of Company Name become effective, any issue of share certificates thereafter will be in the new name and the securities of the Company will be traded on the Stock Exchange in the new name.

A further announcement will be made when appropriate to inform Shareholders the effective date of the Change of Company Name and the new stock short name of the Shares.

EXPECTED TIMETABLE

All times stated in this announcement refer to Hong Kong times. The expected timetable for the Share Consolidation and the Open Offer set out below is indicative only and it has been prepared on the assumption that the Acquisition and the Share Consolidation will be approved by the Shareholders at the EGM. The expected timetable is subject to change, and any such change will be announced by the Company as and when appropriate.

2007

Despatch of the circular containing, among other things, notice of EGM	On or before Monday, 5 March
Latest time for lodging forms of proxy for the purpose of the EGM	10:00 a.m. on Monday, 26 March
EGM	10:00 a.m. on Wednesday, 28 March
Effective date of the Share Consolidation	Thursday, 29 March
Announcement of the results of the EGM	Thursday, 29 March
Original counter for trading in the Existing Shares in board lots of 10,000 of Existing Shares temporarily closes	9:30 a.m. on Thursday, 29 March
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares opens (in the form of existing share certificates)	9:30 a.m. on Thursday, 29 March
First day for free exchange of existing share certificates for new share certificates	9:30 a.m. on Thursday, 29 March
First day of operation of odd lots trading facility	Thursday, 29 March
Last day of dealings in Shares on a cum-entitlement basis	Friday, 30 March
First day of dealings in Shares on an ex-entitlement basis	Monday, 2 April
Latest time for lodging transfer of Shares in order to be qualified for the Open Offer	4:00 p.m. on Tuesday, 3 April

Register of members of the Company closed (both dates inclusive)	Wednesday, 4 April to Thursday, 12 April (both dates inclusive)
Record Date	Thursday, 12 April
Despatch of the Prospectus Documents (in case of the Excluded Shareholders, the Prospectus only)	Thursday, 12 April
Register of members of the Company re-opens	Friday, 13 April
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares re-opens (in the form of new share certificates)	9:30 a.m. on Tuesday, 17 April
Parallel trading in the Consolidated Shares (in the forms of both existing and new share certificates) commences	9:30 a.m. on Tuesday, 17 April
Latest time for acceptance of and payment for Offer Shares	4:00 p.m. on Friday, 27 April
Latest time for the Open Offer to become unconditional (being the third business following the Latest Time for Acceptance)	4:00 p.m. on Thursday, 3 May
Announcement of the results of the Open Offer	Monday, 7 May
Despatch of share certificates for Offer Shares	On or before Tuesday, 8 May
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares closes (in the form of existing share certificates)	4:00 p.m. on Wednesday, 9 May
Parallel trading in the Consolidated Shares ends (in the forms of both existing and new share certificates)	4:00 p.m. on Wednesday, 9 May
Last day of operation of odd lots trading facility	Wednesday, 9 May
Dealings in fully-paid Offer Shares commence	Thursday, 10 May
Last day of free exchange of existing share certificates for new share certificates	Wednesday, 16 May

(5) GENERAL

As some of the applicable percentage ratios as referred to in Chapter 14 of the Listing Rules are more than 100%, the Acquisition constitutes a very substantial acquisition on the part of the Company under Chapter 14 of the Listing Rules. Accordingly, the Acquisition is subject to the approval by the Shareholders at a general meeting under Rule 14.49 of the Listing Rules.

An EGM will be convened to consider and, if thought fit, approve (i) the Acquisition and the Call Option; (ii) the Share Consolidation; and (iii) the Change of Company Name. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, no Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, the details of (i) the Acquisition and the Call Option; (ii) the Share Consolidation; (iii) the Open Offer; and (iv) the Change of Company Name, together with a notice of the EGM will be despatched to the Shareholders as soon as practicable.

(6) SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on 17 January 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on 12 February 2007.

DEFINITIONS

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

“Acquisition”	acquisition of a 100% equity interest in Credible by the Company from the Vendor subject to and upon the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 16 January 2007 entered into among the Company, Mr. Guo, Hou Wan and Certain Champ in respect of the Acquisition
“associates”	has the meaning ascribed thereto in the Listing Rules
“Base Move”	Base Move Investments Limited, a company incorporated in the British Virgin Islands wholly owned by Mr. Guo
“Board”	board of Directors
“Business Day”	any day (other than Saturday), on which banks in Hong Kong are open for business
“Call Option”	the option granted by Certain Champ to the Company whereby the Company can require Certain Champ to sell up to 50% of the issued share capital of Base Move to it or its nominee at an aggregate exercise price of HK\$350,000,000
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change of Company Name”	proposed change of the Company name from “Massive Resources International Corporation Limited” to “Neptune Group Limited”
“Credible”	Credible Limited, a company incorporated in the British Virgin Islands wholly owned by Mr. Guo
“Chengdu VIP Club”	one of the VIP gaming rooms owned by Sands Macao and currently has 5 gaming tables
“Certain Champ”	Certain Champ Limited, a company incorporated in the British Virgin Islands wholly owned by Mr. Guo

“Company” or “Purchaser”	Massive Resources International Corporation Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Completion”	completion of the Acquisition
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Consolidated Share(s)”	consolidated ordinary share(s) of HK\$0.2 each in the issued and unissued share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve (i) the Acquisition and the Call Option; (ii) the Share Consolidation; and (iii) the Change of Company Name
“Excluded Shareholders”	those Overseas Shareholders to whom the Board, after making enquires, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to them
“Existing Shares”	existing ordinary share(s) of HK\$0.02 each in the issued and unissued share capital of the Company, before the implementation of the Share Consolidation
“First Profit Agreement”	the agreement dated 9 January 2007 entered into between Highest Increase as the purchaser, Hou Wan as the vendor and Mr. Guo as guarantor in relation to acquisition of 100% interest of the Profit
“Guaranteed Profit”	the profit guaranteed by Hou Wan to Highest Increase on the Profit as set out in the section headed “Guaranteed Profit” in this announcement
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Highest Increase”	Highest Increase Limited, a company incorporated in the British Virgin Islands wholly owned by Mr. Guo
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hou Wan”	好運娛樂一人有限公司 (Hou Wan Entertainment Unipessoal Limitada), a company incorporated in Macau and is principally engaged in the gaming promotion business, an Independent Third Party

“Independent Third Party”	to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, third parties who are independent of and not connected with the Company or connected persons of the Company
“Jumbo Boom”	Jumbo Boom Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Cheung Chi Tai, an Independent Third Party
“Junket Representative Agreement”	the junket representative agreement entered into between Venetian Macau Limited and Hou Wan on 17 February 2005 and has been renewed on 17 February 2006
“Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Last Trading Date”	16 January 2007, being the last trading date of the Existing Shares prior to the release of this announcement
“Latest Lodging Date”	being 4:00 p.m. on 3 April 2007 as the latest time for lodging transfer of Share in order to qualify for the Open Offer
“Latest Time for Acceptance”	4:00 p.m. on 27 April 2007 or such later time or date as may be agreed between the Company and Kingston Securities, being the latest time for acceptance of, and payment for, the Offer Shares
“Latest Time for Termination”	4:00 p.m. on the third Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and Kingston Securities, being the latest time to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	Macau Special Administrative Region of the PRC
“Macau Government”	government of Macau
“Mr. Guo”/“Vendor”	Mr. Guo Nan, an Independent Third Party
“Non-negotiable Chips”	also known as rolling chips or dead chips. These chips cannot be converted into cash or negotiable chips nor can they be redeemed for other goods and services. These chips can only be bet once. If the customer loses, these chips go to Sands Macao. If the customer wins, he or she is paid the winnings and the amount bet in negotiable chip and Sands Macao will get back these rolling chips. The design of these chips are different from the negotiable chips and hence, the dealers and the cashiers of Sands Macao can readily recognize them from negotiable chips

“Offer Share(s)”	719,881,500 new Consolidated Shares proposed to be offered to the Qualifying Shareholders for subscription pursuant to the Open Offer
“Open Offer”	the proposed issue of the Offer Shares by way of open offer to the Qualifying Shareholders on the basis of one Offer Share for every two Consolidated Shares held on the Record Date on the terms to be set out in the Prospectus Documents and summarised herein
“Overseas Letter”	a letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholders”	the Shareholders with registered address and correspondence address on the register of members of the Company which are outside Hong Kong as at the close of business on the Record Date
“PRC”	The People’s Republic of China which for the purpose of this announcement excluding Hong Kong, Macau and Taiwan
“Profit”	approximately 0.4% of the Rolling Turnover generated by Hou Wan and/or its customers at Chengdu VIP gaming rooms of Sands Macao pursuant to the Junket Representative Agreement
“Profit Agreements”	collectively the First Profit Agreement and the Second Profit Agreement
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the application form in respect of the assured allotment of Offer Shares
“Qualifying Shareholders”	the Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	12 April 2007, being the date by reference to which entitlements to the Open Offer will be determined
“Registrar”	Computershare Hong Kong Investor Services Limited at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, being the Company’s share registrar
“Rolling Turnover”	the value of Non-negotiable Chips bet by the customers that the junket operator brings into Sands Macao
“Sands Macao”	Sands Macao, a one-million-square-foot casino and entertainment complex located in Largo de Monte Carlo, No. 203, Macau and operated by Venetian Macau Limited

“Second Profit Agreement”	the agreement dated 9 January 2007 entered into between Highest Increase, Base Move and Mr. Guo relating the acquisition of the net profit of Highest Increase, being approximately 0.4% of the Rolling Turnover generated by Hou Wan and/or its customers at the Chengdu VIP Club
“Share(s)”	Existing Share(s) and/or Consolidated Share(s), as the case may be
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.2 per Offer Share
“Underwriters”	collectively, Jumbo Boom and Kingston Securities
“Underwriting Agreement”	the underwriting agreement dated 16 January 2007 entered into between the Company and the Underwriters in relation to the Open Offer
“Venetian Macau Limited”	a developer of multiple of casino hotel resort properties in Macau and is a subsidiary of Las Vegas Sands, Corp., a hotel and gaming company and the securities of which are listed on the New York Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Massive Resources International Corporation Limited
Lin Cheuk Fung
Chairman

Hong Kong, 9 February 2007

As at the date of this announcement, the Board comprises four executive Directors, Mr. Lin Cheuk Fung, Mr. Lau Kwok Hung, Mr. Chan Shiu Kwong, Stephen and Mr. Lau Kwok Keung and three independent non-executive Directors, Mr. Chow Pui Fung, Mr. Yue Fu Wing and Mr. Wong Yuk Man.

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