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UNIONBRIDGE
UNION BRIDGE HOLDINGS LIMITED
聯僑集團控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 8047)

PROPOSED OPEN OFFER OF 318,472,500 OFFER SHARES
AT HK\$0.06 PER OFFER SHARE
ON THE BASIS OF ONE OFFER SHARE FOR
EVERY TWO SHARES HELD ON RECORD DATE
PAYABLE IN FULL ON APPLICATION
AND
RESUMPTION OF TRADING IN THE SHARES

Financial adviser to the Company

 **博大資本國際有限公司**
Partners Capital International Limited

Underwriter

 **博大資本證券有限公司**
Partners Capital Securities Limited

PROPOSED OPEN OFFER

The Company proposes to raise approximately HK\$19.11 million, before expenses, by an open offer of 318,472,500 Offer Shares at a subscription price of HK\$0.06 per Offer Share, payable in full on application, on the basis of one Offer Share for every two Shares held on Record Date. Qualifying Shareholders are entitled to apply for excess Offer Shares not taken up in excess of their respective entitlements under the Open Offer. The Open Offer will not be extended to the Prohibited Shareholders.

* For identification purpose only

As at the date of this announcement, the Company has 48,947,368 Conversion Shares (subject to board lot size adjustment) to be issued and allotted pursuant to conversion of the Convertible Notes on the basis of an exercise price of HK\$0.19 per Share (subject to adjustment). Pursuant to the undertaking letter from UBPSL dated 12 January 2007, UBPSL has irrevocably undertaken to the Company and the Underwriter to exercise in full all the conversion rights as attached to the Convertible Notes on or before the Latest Lodging Date. Pursuant to the note instrument constituting the Convertible Notes, the number of Shares to be issued upon full conversion of the Convertible Notes will be 48,945,000 Shares (in whole board lots) and the odd lot of 2,368 Shares will be settled in cash at HK\$0.19 per Share. Save as disclosed above, as at the date of this announcement, the Company does not have any outstanding derivatives, share options, warrants or securities in issue which are convertible or exchangeable into Shares and has no intention to issue any new Shares or any of the above securities before the Latest Time of Acceptance.

The net proceeds of the Open Offer (after deduction of commission and expenses) are expected to amount to approximately HK\$17.50 million, of which approximately HK\$12 million will be applied towards the expansion of the existing businesses of the Group and repayment of long-term liabilities of the Group, approximately HK\$2 million towards general working capital of the Group and the remaining balance of approximately HK\$3.5 million will be applied towards future investments in the mobile value-added service business of the telecommunication sector in the PRC, if appropriate opportunity arises. In the event that no appropriate investment opportunity is identified by the Group, the remaining balance will be retained by the Group for general working capital purpose. The Company currently has yet to identify any potential investment projects.

The Open Offer is fully underwritten by the Underwriter and is subject to the terms and conditions of the Underwriting Agreement. If the Underwriter terminates the Underwriting Agreement (details are set out in the paragraph headed “Termination of the Underwriting Agreement” in the section headed “Underwriting Arrangement” in this announcement) or the conditions of the Open Offer (details are set out in the section headed “Conditions of the Open Offer”) are not fulfilled, the Open Offer will not proceed. **Accordingly, the Open Offer may or may not proceed and the Shareholders and potential investors are advised to exercise caution when dealing in the Shares and consult their professional advisers if they are in any doubt about their positions.**

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfer of Shares (together with relevant share certificate(s)) must be lodged for registration with the Registrar by 4:30 p.m. on Thursday, 1 February 2007. The register of members of the Company will be closed from Friday, 2 February 2007 to Wednesday, 7 February 2007, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer.

The Company will send the Prospectus Documents to the Qualifying Shareholders and, the Prospectus, for information only, to the Prohibited Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 15 January 2007 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in Shares with effect from 9:30 a.m. on 17 January 2007.

PROPOSED OPEN OFFER

Issue Statistics

Basis of the Open Offer:	One Offer Share for every two Shares held on the Record Date and payable in full on application
Number of Shares in issue:	588,000,000 Shares as at the date of this announcement
Number of Offer Shares:	318,472,500 Offer Shares
Subscription Price:	HK\$0.06 per Offer Share payable in full on application

As at the date of this announcement, the Company has 48,947,368 Conversion Shares (subject to board lot size adjustment) to be issued and allotted pursuant to conversion of the Convertible Notes on the basis of an exercise price of HK\$0.19 per Share (subject to adjustment). Pursuant to the undertaking letter from UBPSL dated 12 January 2007, UBPSL has irrevocably undertaken to the Company and the Underwriter to exercise in full all the conversion rights as attached to the Convertible Notes on or before the Latest Lodging Date. Pursuant to the note instrument constituting the Convertible Notes, the number of Shares to be issued upon full conversion of the Convertible Notes will be 48,945,000 Shares (in whole board lots) and the odd lot of 2,368 Shares will be settled in cash at HK\$0.19 per Share. Save as disclosed above, as at the date of this announcement, the Company does not have any outstanding derivatives, share options, warrants or securities in issue which are convertible or exchangeable into Shares and has no intention to issue any new Shares or any of the above securities before the Latest Time of Acceptance.

Subscription Price

The Subscription Price of HK\$0.06 per Offer Share will be payable in full upon application for the Offer Shares and (where applicable) application for excess Offer Shares under the Open Offer. The Subscription Price represents:

1. a discount of 76% to the closing price of HK\$0.25 per Share as quoted on the Stock Exchange on 12 January 2007, being the last trading day of the Shares on the Stock Exchange prior to the suspension of the trading in the Shares;
2. a discount of approximately 76.19% to the average of the closing prices of HK\$0.252 per Share quoted on the Stock Exchange for the five consecutive trading days up to and including 12 January 2007;

3. a discount of approximately 76.14% to the average of the closing prices of HK\$0.2515 per Share quoted on the Stock Exchange for the ten consecutive trading days up to and including 12 January 2007; and
4. a discount of approximately 67.86% to the theoretical ex-rights price of approximately HK\$0.1867 based on the closing price of HK\$0.25 per Share as quoted on the Stock Exchange on 12 January 2007.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the recent market price of the Shares under the relatively low prevailing market condition for the Shares. As (i) the Subscription Price was determined with reference to the low liquidity of the Shares in the market as indicated by the average daily trading volume of approximately 374,000 Shares for the last 30 consecutive trading days up to and including 12 January 2007, representing approximately 0.064% of the existing issued share capital of the Company; (ii) the Qualifying Shareholders are offered a chance to subscribe for the Offer Shares at a relatively low price and to maintain their respective pro-rata shareholdings in the Company; and (iii) the Open Offer allows existing Shareholders to benefit from the future business growth of the Company, the Directors (including the independent non-executive Directors) consider the terms of the Open Offer to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will despatch the Prospectus Documents to the Qualifying Shareholders only.

To qualify for the Open Offer, the Shareholders must be registered as members of the Company as at the close of business on the Record Date and not be a Prohibited Shareholder.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with the Registrar by 4:30 p.m. on Thursday, 1 February 2007.

The invitation to apply for the Offer Shares to be made to the Qualifying Shareholders will not be transferable or capable of renunciation and there will not be any trading in nil-paid entitlements of the Offer Shares on the Stock Exchange.

Closure of register of members

The register of members of the Company will be closed from Friday, 2 February 2007 to Wednesday, 7 February 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.

Rights of Overseas Shareholders and Prohibited Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong and Bermuda. The Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders, if any. To determine the identities of the Prohibited Shareholders and in compliance with the relevant GEM Listing Rules, the Company will make necessary enquiries regarding the legal restrictions, if any, under the laws of the relevant jurisdictions and will only exclude the Prohibited Shareholders for the Open Offer if it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place after making relevant enquiries pursuant to Rule 17.41 of the GEM Listing Rules. The Company will send the Prospectus to Prohibited Shareholders for their information only but the Company will not send any Application Forms or Excess Application Forms to the Prohibited Shareholders.

Having reviewed the register of members of the Company, as at the date of this announcement, the Company has six Overseas Shareholders with registered addresses in British Virgin Islands, the PRC and Macau Special Administrative Region of the PRC. Further details of the Overseas Shareholders and Prohibited Shareholders, if any, will be disclosed in the Prospectus.

Application for excess Offer Shares

Under the Open Offer, Qualifying Shareholders may apply for any unsold entitlements of the Prohibited Shareholders and any Offer Shares not taken up by the Qualifying Shareholders. Application can be made by completing the Excess Application Form and lodging the same with a separate remittance for the excess Offer Shares being applied for.

The Directors will allocate the excess Offer Shares at their discretion and on a fair and equitable basis by reference to the number of excess Offer Shares applied for by each Qualifying Shareholder, but will give preference to topping up odd lots to whole board lots.

The Shareholders with Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Offer Shares will not be extended to the ultimate beneficial owners individually. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange registration of the relevant Shares in the name of the ultimate beneficial owner(s) to increase their chance of allotment of the excess Offer Shares prior to the Record Date.

Status of the Offer Shares

The Offer Shares (when allotted and fully paid) will rank *pari passu* with the Shares in issue in all respects on the date of allotment and issue of the Offer Shares. Holders of fully paid 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.

Share certificates for the fully paid Offer Shares and refund cheques

Subject to the fulfillment of the conditions of the Open Offer as set out in the section headed “Conditions of the Open Offer” below, every Qualifying Shareholder will receive one share certificate for all fully-paid Offer Shares and refund cheques in respect of wholly or partially unsuccessful excess applications (if any) are expected to be posted on or before Friday, 2 March 2007 to those Qualifying Shareholders who have accepted and (where applicable) applied for, and paid for the Offer Shares by ordinary post at their own risks.

Fractions of Offer Shares

Fractional entitlements of Offer Shares will not be allotted and will be aggregated. Any Offer Shares arising from the aggregation of such fractional entitlements will be taken up by the Underwriter and/or the Qualifying Shareholders who have applied for the excess Offer Shares.

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 on the Stock Exchange will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date: 12 January 2007

Underwriter: PCSL

The Underwriter and its ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the GEM Listing Rules) of the Company

Number of Offer Shares: 318,472,500 Offer Shares

Number of Underwritten Shares: 118,125,000 Offer Shares

Commission: an underwriting commission of 2.5% of the aggregate Subscription Price in respect of the Underwritten Shares

As the underwriting commission payable to the Underwriter (i) was determined after arm’s length negotiations between the Company and the Underwriter; (ii) is on normal commercial terms and (iii) is comparable with market rate, the Directors (including the independent non-executive Directors) consider the terms of the Underwriting Agreement (including but not limited to the underwriting commission) to be fair and reasonable and the Underwriting Agreement is in the interests of the Company and the Shareholders as a whole.

Undertakings

As at the date of this announcement, UBPSL is interested in 75,000,000 Shares and HK\$9,300,000 Convertible Notes, conferring its rights to convert into 48,947,368 Shares upon full conversion of the Convertible Notes (subject to board lot size adjustment). Pursuant to the undertaking letters from UBPSL dated 12 January 2007, UBPSL has irrevocably undertaken to the Company and the Underwriter (i) to exercise in full all the conversion rights as attached to the Convertible Notes on or before the Latest Lodging Date; and (ii) to subscribe for the 61,972,500 Offer Shares to which UBPSL is entitled under the Open Offer.

As at the date of this announcement, Starryland, which is wholly and beneficially owned by Mr. Lau, is interested in 202,500,000 Shares. Pursuant to the undertaking letter from Starryland dated 12 January 2007, Starryland has irrevocably undertaken to the Company and the Underwriter to subscribe for the 101,250,000 Offer Shares to which Starryland is entitled under the Open Offer.

As at the date of this announcement, Mr. Hsu is interested in 30,000,000 Shares. Pursuant to the undertaking letter from Mr. Hsu dated 12 January 2007, Mr. Hsu has irrevocably undertaken to the Company and the Underwriter to subscribe for the 15,000,000 Offer Shares to which Mr. Hsu is entitled under the Open Offer.

As at the date of this announcement, Mr. Wan is interested in 300,000 Shares. Pursuant to the undertaking letter from Mr. Wan dated 12 January 2007, Mr. Wan has irrevocably undertaken to the Company and the Underwriter to subscribe for the 150,000 Offer Shares to which Mr. Wan is entitled under the Open Offer.

As at the date of this announcement, Mr. Wong is interested in 3,450,000 Shares. Pursuant to the undertaking letter from Mr. Wong dated 12 January 2007, Mr. Wong has irrevocably undertaken to the Company and the Underwriter to subscribe for the 1,725,000 Offer Shares to which Mr. Wong is entitled under the Open Offer.

As at the date of this announcement, Mr. Cheng is interested in 3,750,000 Shares. Pursuant to the undertaking letter from Mr. Cheng dated 12 January 2007, Mr. Cheng has irrevocably undertaken to the Company and the Underwriter to subscribe for the 1,825,000 Offer Shares to which Mr. Cheng is entitled under the Open Offer.

As at the date of this announcement, Mr. Lo is interested in 3,750,000 Shares. Pursuant to the undertaking letter from Mr. Lo dated 12 January 2007, Mr. Lo has irrevocably undertaken to the Company and the Underwriter to subscribe for the 1,825,000 Offer Shares to which Mr. Lo is entitled under the Open Offer.

As at the date of this announcement, Rich Regent Inc. is interested in 33,000,000 Shares. Pursuant to the undertaking letter from Rich Regent Inc. dated 12 January 2007, Rich Regent Inc. has irrevocably undertaken to the Company and the Underwriter to subscribe for the 16,500,000 Offer Shares to which Rich Regent Inc. is entitled under the Open Offer.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a business day on which a Storm Warning is or remains hoisted between 9.00 a.m. and 4.00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no Storm Warning is or remains hoisted between 9:00 a.m. and 4:00 p.m. on that day):

- (1) in the reasonable opinion of the Underwriter, 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 the Underwriter 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 hereof) 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 the Underwriter 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 the Underwriter 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 the Underwriter 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 event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the reasonable opinion of any of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten 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,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

If the Underwriter terminates the Underwriting Agreement, the Open Offer will not proceed.

CONDITIONS OF THE OPEN OFFER

The Open Offer is conditional, inter alia, upon:

- (1) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively 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 GEM Listing Rules and the Companies Ordinance not later than the Prospectus Posting Date;
- (2) the filing with the Registrar of Companies in Bermuda one copy of each of the Prospectus Documents duly signed by either all Directors or one of the Directors for and on behalf of all the Directors in compliance with the Companies Act 1981 of Bermuda on or as soon as reasonably practicable after the Prospectus Posting Date;
- (3) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date; 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 by no later than the first day of their dealings of the Offer Shares on the Stock Exchange; and
- (5) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms.

The Company shall use all reasonable endeavours to procure the fulfillment of all the conditions precedent by the Latest Time for Termination or such other date as the Company and the Underwriter may agree and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Offer Shares or to give effect to the Open Offer and the arrangements contemplated in the Underwriting Agreement.

The Underwriter may at any time by notice in writing to the Company waive the conditions precedent set out in clause (5) above. Save and except the conditions precedent set out in clause (5) above, the other conditions precedent are incapable of being waived. If the conditions precedent are not satisfied and/or waived in whole or in part by the Underwriter by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

WARNING OF RISKS OF DEALING IN SHARES

If the Underwriter terminates the Underwriting Agreement or the conditions of the Open Offer are not fulfilled, the Open Offer will not proceed. **Accordingly, the Open Offer may or may not proceed and the Shareholders and potential investors are advised to exercise caution when dealing in the Shares and consult their professional advisers if they are in any doubt about their positions.**

The Shareholders should note that the Shares will be dealt with on an ex-entitlement basis commencing from Wednesday, 31 January 2007 and that dealings in such Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in such Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on or before 4:00 p.m. on Wednesday, 28 February 2007), will accordingly bear the risks 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.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE OPEN OFFER

The following is the shareholding structure of the Company immediately before and after completion of the Open Offer:

	As at the date of this announcement		Assuming all the Convertible Notes are being exercised on or before the Latest Lodging Date		Immediately following completion of the Open Offer on the assumption as set out in Note 1		Immediately following completion of the Open Offer on the assumption as set out in Note 2	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Starryland (Note 3)	202,500,000	34.44	202,500,000	31.79	303,750,000	31.79	303,750,000	31.79
UBPSL (Note 4)	75,000,000	12.76	123,945,000	19.46	185,917,500	19.46	185,917,500	19.46
Mr. Wan (Note 5)	300,000	0.05	300,000	0.05	450,000	0.05	450,000	0.05
Mr. Wong (Note 5)	3,450,000	0.59	3,450,000	0.54	5,175,000	0.54	5,175,000	0.54
Mr. Cheng (Note 5)	3,750,000	0.64	3,750,000	0.59	5,625,000	0.59	5,625,000	0.59
Mr. Lo (Note 5)	3,750,000	0.64	3,750,000	0.59	5,625,000	0.59	5,625,000	0.59
Mr. Hsu (Note 6)	30,000,000	5.10	30,000,000	4.71	45,000,000	4.71	45,000,000	4.71
Underwriter (Note 7)	-	-	-	-	-	-	118,125,000	12.36
Public Shareholders:								
Rich Regent Inc. (Note 8)	33,000,000	5.61	33,000,000	5.18	49,500,000	5.18	49,500,000	5.18
Other public Shareholders	236,250,000	40.17	236,250,000	37.09	354,375,000	37.09	236,250,000	24.73
	<u>269,250,000</u>	<u>45.78</u>	<u>269,250,000</u>	<u>42.27</u>	<u>403,875,000</u>	<u>42.27</u>	<u>285,750,000</u>	<u>29.91</u>
Total	<u>588,000,000</u>	<u>100.00</u>	<u>636,945,000</u>	<u>100.00</u>	<u>955,417,500</u>	<u>100.00</u>	<u>955,417,500</u>	<u>100.00</u>

Notes:

1. Assuming all Qualifying Shareholders take up their respective entitlements to the Offer Shares under the Open Offer.
2. Assuming none of the Qualifying Shareholders (saved as Starryland, UBPSL, Mr. Hsu, Rich Regent Inc., Mr. Wan, Mr. Wong, Mr. Cheng and Mr. Lo who have undertaken to subscribe for its pro-rata entitlement to Offer Shares in full under the Open Offer) take up their respective entitlements to the Offer Shares under the Open Offer and, accordingly, the Underwriter will take up the Underwritten Shares in full pursuant to the terms of the Underwriting Agreement.
3. Starryland is, a company wholly and beneficially owned by Mr. Lau who does not hold any positions in the Group.
4. UBPSL, a company is beneficially owned as to 51.82% by Mr. Lo and Ms. Cheng Pui Ping collectively and as to 48.18% by 12 individual and corporate owners, is beneficially interested in 75,000,000 Shares and 48,947,368 Shares (subject to board lot size adjustment) to be issued pursuant to the full conversion of the Convertible Notes issued by the Company on 20 March 2006. Pursuant to the note instrument constituting the Convertible Notes, the number of Shares to be issued upon full conversion of the Convertible Notes will be 48,945,000 Shares (in whole board lots) and the odd lot of 2,368 Shares will be settled in cash at HK\$0.19 per Share.

5. Mr. Wan, Mr. Wong, Mr. Cheng and Mr. Lo are executive Directors.
6. Mr. Hsu is a director of two subsidiaries of the Company, namely Media Magic Technology Limited and Multi Channel Technology Limited.
7. The Underwriter confirmed that it has sub-underwritten 30,000,000 Offer Shares, 30,000,000 Offer Shares, 30,000,000 Offer Shares and 28,125,000 Offer Shares respectively (representing approximately 3.14%, 3.14%, 3.14% and 2.94% of the enlarged issued share capital of the Company immediately following completion of the Open Offer) to four individuals who are third parties independent of the Company and connected persons (as defined in the GEM Listing Rules) of the Company.
8. Rich Regent Inc., a company beneficially and wholly owned by Mr. Ng Sze Hoi, Danny, is beneficially interested in 33,000,000 Shares pursuant to 33,000,000 warrants held by it which had been fully exercised before the date of this announcement, have undertaken to subscribe for the 16,500,000 Offer Shares. Save as Rich Regent Inc. being the warrant holder of the Company before exercise in full the 33,000,000 warrants, both Rich Regent Inc. and Mr. Ng Sze Hoi, Danny have no relationship with the Group and do not hold any positions in the Group.

FUNDS RAISED DURING THE PAST 12 MONTHS

During the past 12 months immediately preceding the date of this announcement, the Company has conducted the following fund raising activities:

1. The placing of 60,000,000 new shares at a placing price of HK\$0.30 per Share as stated in the announcement of the Company dated 2 June 2006. The net proceeds from such placing of approximately HK\$17.1 million were intended to be used as to approximately HK\$12 million towards future development of the Group and approximately HK\$5.1 million applied towards general working capital of the Group. As at the date of this announcement, the Company has applied as intended (i) approximately HK\$10 million for the consideration for the acquisition of 20% of the shareholding interest of a business engaged in provision of mobile value-added service business in the PRC as disclosed in the announcement of the Company dated 22 August 2006 and circular of the Company dated 7 September 2006; (ii) approximately HK\$2 million for future development of the Group, i.e. payment for the capital expenditure of the Group; and (iii) approximately HK\$5.1 million for general working capital of the Group.
2. The private placing of 93,000,000 non-listed warrants at an issue price of HK\$0.015 per warrant and a subscription price of HK\$0.15 per new Share as stated in the announcement of the Company dated 13 October 2006. Upon the full exercise of the subscription rights attaching to the warrants and taking into account of the net proceeds from the warrant placing, the Company would receive gross proceeds of approximately HK\$13.95 million. The net proceeds from the warrant placing of approximately HK\$1.1 million were intended to be applied as general working capital of the Group and any proceeds from the issue of new Shares upon full exercise of the subscription rights attaching to the warrants will be applied for investments or future development of the Group, including but not limited to further investments in the mobile value-added service business in the PRC. As at the date of this announcement, the Company has received gross proceeds of approximately HK\$13.95 million from the full exercise of rights attached to the warrants but has not applied any of its funds as at the date of this announcement. Moreover, the net proceeds from warrant placing of HK\$1.1 million had been utilized as general working capital of the Group.

REASONS FOR THE OPEN OFFER

The Group is principally engaged in the research, development and provision of information-on-demand system solutions and the provision of related products and services; the trading and manufacturing of electronics devices and components and the provision of a full range of design and engineering services to high-end brand-named users in the industry as well as the provision of diversified mobile value-added services of the telecommunication business sector in the PRC. The Group will continue its existing principal business activities and has no intention to change its existing principal businesses.

As disclosed in the interim report 2006-2007 of the Company, after the acquisition of the Union Bridge Group Limited in March 2006, the trading and manufacturing of electronic devices and components as well as the provision of full range of design and engineering services contribute significantly to the turnover of the Group, which compensates the decrease in sales of internet appliances and related product and services fee from provision of services in relation to e-commerce platform and related services due to the intense competitive environment in electronic business. Going forward, the Group will look for other opportunities to diversify its revenue base, explore new markets and develop new products as well as explore investment opportunities so as to optimize the shareholders' value.

Subsequent to a series of acquisition in the past year, the financial performance of the Group has been improving as reflected in the six months results ended 30 September 2006 which has demonstrated a turnaround from loss-making of approximately HK\$1.3 million in the same period in 2005 to approximately HK\$0.8 million profit for the six months ended 30 September 2006. Leveraging on its improved financial performance as well as the acquisition and investment strategy, the Group decided to equip itself with a better financial position and to raise funds for any possible future investments.

As disclosed in the announcement of the Company dated 22 August 2006, on 22 August 2006, Upper Power Limited, a wholly owned subsidiary had completed the subscription and acquisition of 20% of issued share capital of Media Magic Technology Limited which would be principally engaged in the provision of diversified mobile value-added services, including but not limited to, the provision of mobile online games, patented popular electronic cartoon characters and animation series download etc, for mobile phone users in the PRC through franchising and cooperation with telecommunication business licensed providers.

As disclosed in the announcement of the Company 27 October 2006, on 27 October 2006, upon the completion of the warrant placing agreement, 93,000,000 warrants of the Company had been issued to Rich Regent Inc. at issue price of HK\$0.015 per warrant and subscription price of HK\$0.15 per warrant.

As disclosed in the announcement of the Company 5 January 2007, on 5 January 2007, upon the completion of the sale and purchase agreement, the Company holds indirectly 51% equity interests in Media Magic Technology Limited and that Media Magic Technology Limited becomes a subsidiary of the Company. The accounts of Media Magic Technology Limited and PalmyPay Technology Co. Ltd. (北京互聯視通科技有限公司) will then be consolidated with that of the Group.

The Board (including the independent non-executive Directors) therefore considers that the Open Offer represents an opportunity for the Company to enhance its working capital and strengthen its capital base and financial position. Upon completion of the Open Offer, the Company will be in a good position to capture any potential business opportunity and facilitate its business expansion and to enhance its earning potential, and therefore enhance the overall value of the Shares. Moreover, the Board (including the independent non-executive Directors) is of the view that it is in the interests of the Company and its Shareholders as a whole to raise the capital through the Open Offer since it would allow the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and participate in the future growth and development of the Group.

USE OF PROCEEDS

The net proceeds of the Open Offer (after deduction of commission and expenses) are expected to amount to approximately HK\$17.50 million, of which approximately HK\$12 million will be applied towards the expansion of the existing businesses of the Group and repayment of long-term liabilities of the Group, approximately HK\$2 million towards general working capital of the Group and the remaining balance of approximately HK\$3.5 million will be applied towards future investments in the mobile value-added service business of the telecommunication sector in the PRC, if appropriate opportunity arises. In the event that no appropriate investment opportunity is identified by the Group, the remaining balance will be retained by the Group for general working capital purpose. The Company currently has yet to identify any potential investment projects.

The expenses in connection with the Open Offer, including the financial advisory fee, underwriting commission, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$1.61 million and will be payable by the Company.

EXPECTED TIMETABLE

The expected timetable for the Open Offer is set out below:

	<i>2007</i>
Last day of dealings in Shares on a cum-entitlement basis	Tuesday, 30 January
First day of dealings in Shares on an ex-entitlement basis	Wednesday, 31 January
Latest Lodging Date	4:30 p.m. on Thursday, 1 February
Register of members of the Company closes (both dates inclusive)	Friday, 2 February to Wednesday, 7 February
Record Date	Wednesday, 7 February
Despatch of the Prospectus Documents	Wednesday, 7 February

Register of members re-opens	Thursday, 8 February
Latest time for acceptance of, and payment for, the Open Offer	4:00 p.m. on Friday, 23 February
Latest Time for Termination.....	4:00 p.m. on Wednesday, 28 February
Expected time for the Open Offer to become unconditional.....	4:00 p.m. on Wednesday, 28 February
Announcement of results of the Open Offer	Thursday, 1 March on the Stock Exchange's website
Certificates for the Offer Shares to be dispatched on or before	Friday, 2 March
Despatch of refund cheques in respect of	Friday, 2 March excess unsuccessful applications
Dealings in fully-paid Offer Shares commence on	Tuesday, 6 March

Dates stated in this announcement for events in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Open Offer will be announced by the Company as and when appropriate.

GENERAL

As all the conversion rights as attached to the Convertible Notes will be exercised on or before the Latest Lodging Date, the Company will not have any outstanding derivatives, share options, warrants or securities in issue which are convertible or exchangeable into Shares and has no intention to issue any new Shares or any of the above securities before the Latest Time of Acceptance and accordingly there will be no effect on the conversion rights attaching to the Convertible Notes upon the Open Offer becoming unconditional.

The Company will despatch the Prospectus Documents to the Qualifying Shareholders and, the Prospectus, for information only, to the Prohibited Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 15 January 2007 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in Shares with effect from 9:30 a.m. on 17 January 2007.

TERMS USED IN THIS ANNOUNCEMENT

“Application Form(s)”	the form of application for use by the Qualifying Shareholders to apply for the Offer Shares
“associates”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“business day”	any day (other than a Saturday or Sunday or public holidays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Union Bridge Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM
“Convertible Notes”	the convertible notes with an outstanding principal amount of HK\$9,300,000 conferring rights to subscribe a total of 48,947,368 Shares (subject to board lot size adjustment) on the basis of an exercise price of HK\$0.19 per Share (subject to adjustment)
“Conversion Shares”	the Shares to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Notes
“Directors”	directors of the Company from time to time
“Excess Application Form(s)”	the form of application for excess Offer Shares
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Lodging Date”	being 4:30 p.m. on Thursday, 1 February 2007 or such other date and/or time as the Underwriter and the Company may agree as the latest time for lodging transfer of the Shares and/or exercising the Convertible Notes in order to qualify for the Open Offer

“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 the Underwriter, being the latest time to terminate the Underwriting Agreement
“Mr. Cheng”	Mr. Cheng Kwong Chung, an executive Director
“Mr. Lau”	Mr. Lau Kin Hung, Jack, the sole beneficial owner of Starryland
“Mr. Lo”	Mr. Lo Ka Tong, an executive Director
“Mr. Hsu”	Mr. Hsu Tung Sheng, a director of two subsidiaries of the Company, namely Media Magic Technology Limited and Multi Channel Technology Limited
“Mr. Wan”	Mr. Wan Kin Chung, an executive Director and the chairman of the Company
“Mr. Wong”	Mr. Wong Tak Shing, an executive Director
“Offer Share(s)”	318,472,500 new Shares, proposed to be offered to the Qualifying Shareholders for subscription on the terms and subject to the conditions set out in the Underwriting Agreement and in the Prospectus
“Open Offer”	the proposed offer for subscription by the Qualifying Shareholders for the Offer Shares at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Overseas Shareholders”	Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
“PCSL” or “Underwriter”	Partners Capital Securities Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on type 1 (dealing in securities) regulated activity under the SFO
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prohibited Shareholder(s)”	those Overseas Shareholders to whom the Company considers it necessary or expedient not to offer the Offer Shares based on the enquiry regarding the legal restrictions, if any, under the laws of the relevant jurisdictions where the Overseas Shareholders reside

“Prospectus”	a prospectus containing details of the Open Offer
“Prospectus Documents”	the Prospectus, the Application Form and the Excess Application Form
“Prospectus Posting Date”	7 February 2007 or such other date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Prohibited Shareholders
“Record Date”	7 February 2007 or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Open Offer
“Registrar”	Tengis Limited, branch share registrar and transfer office of the Company in Hong Kong located at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Starryland”	Starryland Profits Limited, a company incorporated in the British Virgin Island and is wholly and beneficially owned by Mr. Lau.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.06 per Offer Share
“Undertaking Directors”	Mr. Wan, Mr. Wong, Mr. Cheng and Mr. Lo
“Underwriting Agreement”	the underwriting agreement between the Company and the Underwriter dated 12 January 2007 in relation to the Open Offer
“UBPSL”	Union Bridge Power Systems Limited, a company incorporated in the Cayman Islands, a substantial Shareholder

“Underwritten Shares”	118,125,000 Offer Shares, being all Offer Shares less such number of Offer Shares agreed to be taken up by UBPSL, Starryland, Mr. Hsu, the Undertaking Directors and Rich Regent Inc. pursuant to the Underwriting Agreement and the undertaking letters dated 12 January 2007 by each of UBPSL, Starryland, Mr. Hsu, the Undertaking Directors and Rich Regent Inc.
“HK\$”	Hong Kong dollars
“%”	per cent.

By Order of the Board
Union Bridge Holdings Limited
Wan Kin Chung
Chairman

Hong Kong, 16 January 2007

As at the date of this announcement, the executive Directors are Mr. Wan, Mr. Wong, Mr. Lo, Mr. Cheng and Mr. Chan Hin Wing, James. The independent non-executive Directors are Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan and Mr. Chan Wing Chiu.

This announcement, for which the Directors 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, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading;*
- (2) there are no other matters the omission of which would make any statement in this announcement misleading; and*
- (3) 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 appear and remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting.