

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



UNIONBRIDGE
UNION BRIDGE HOLDINGS LIMITED
聯僑集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 8047)

**PLACING OF EXISTING SHARES;
TOP-UP SUBSCRIPTION OF NEW SHARES;
AND
RESUMPTION OF TRADING**

Placing agent



DBS Asia Capital Limited

**Financial adviser to Union Bridge Holdings Limited
INCUB Corporate Finance Limited**



PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES

On 12 April 2007 at around 10:00 a.m., the Company and the Vendor entered into the Placing Agreement with the Placing Agent in relation to the placing of not more than 110,000,000 Placing Shares, on a best effort basis, at the Placing Price of HK\$0.47 per Share to not less than six Placées who will be Independent Third Parties. On the same day at around the same time, the Company entered into the Top-Up Subscription Agreement with the Vendor in relation to the subscription of up to 110,000,000 Top-Up Subscription Shares at a subscription price of HK\$0.47 per Top-Up Subscription Share. The total number of Top-Up Subscription Shares shall be equal to the total number of Placing Shares placed/to be placed and the subscription price of HK\$0.47 per Top-Up Subscription Share is equivalent to the Placing Price.

The Top-Up Subscription Shares (or the Placing Shares) represent (i) approximately 11.35% of the existing issued share capital of the Company; and (ii) approximately 10.19% of the total issued share capital of the Company as enlarged by the Top-Up Subscription Shares.

Completion of the Placing is conditional upon, among other things, the entering into of the Top-Up Subscription Agreement and Completion of the Top-Up Subscription.

The Top-Up Subscription is conditional upon, among other things, (i) the GEM Listing Committee granting the listing of, and permission to deal in, the Top-Up Subscription Shares, and (ii) Completion of the Placing.

Assuming all of the Placing Shares are successfully placed, the net proceeds from the Top-Up Subscription are then estimated to be approximately HK\$49.70 million. It is the intention of the Company to use approximately HK\$16.57 million for general working capital of the Group and the remaining balance of approximately HK\$33.13 million for investments in the mobile value-added service business of the telecommunication sector in the PRC and existing or future investment or business development of the Group, 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.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 10:16 a.m. on 12 April 2007 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 16 April 2007.

1. PLACING OF EXISTING SHARES

On 12 April 2007, the Company and the Vendor entered into the Placing Agreement with the Placing Agent, who together with its ultimate beneficial owners are Independent Third Parties, in relation to the placing of not more than 110,000,000 Placing Shares at the Placing Price of HK\$0.47 per Share to not less than six Placees, who will be individual(s), institutional or other professional investor(s) and Independent Third Parties, on a best effort basis.

The Placing Shares represent:

- (i) approximately 11.35% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 10.19% of the total issued share capital of the Company as enlarged by the Top-Up Subscription Shares.

The shareholding structure of the Company before and after the Completion of Placing has been set out under the heading "Changes in Shareholding Structure" below.

Placing Price

The Placing Price of HK\$0.47 per Placing Share represents:

- (i) a discount of approximately 16.07% to the closing price of HK\$0.56 per Share as quoted on the Stock Exchange on 12 April 2007, being the date of the Placing Agreement;
- (ii) a discount of approximately 9.44% to the average closing price of approximately HK\$0.519 per Share for the five consecutive trading days up to and including 12 April 2007, being the date of the Placing Agreement;

- (iii) a discount of approximately 2.69% to the average closing price of HK\$0.483 per Share for the ten consecutive trading days up to and including 12 April 2007, being the date of the Placing Agreement; and
- (iv) a premium of approximately 953.8% over the unaudited net asset value per Share of HK\$0.0446 based on the unaudited consolidated interim accounts of the Group as of 30 September 2006 and the existing number of issued Shares.

The Board (including independent non-executive Directors) considers that the Placing Price was determined on an arm-length basis among the Vendor, the Company and the Placing Agent having considered the recent closing prices of the Shares and the current positive market sentiment and considered as fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

Lock up

Pursuant to the Placing Agreement, (i) the Company undertakes to the Placing Agent that, from the date of the Placing Agreement and for a period of three months after the date of the Placing Agreement, it will not, and the Vendor undertakes with the Placing Agent to procure that the Company will not, issue, offer, lend, sell, contract to sell, pledge, grant any option to purchase or otherwise dispose of, any Shares without the prior written consent of the Placing Agent other than (a) the sale of the Placing Shares, (b) the issue of the Top-Up Subscription Shares, (c) the issue of new Shares pursuant to pre-existing options, warrants or convertible securities carrying rights to subscribe for new Shares and/or as consideration in substitution for cash in connection with acquisition of companies or businesses by the Group; and (d) other than the sale of the Placing Shares pursuant to the Placing Agreement, the Vendor undertakes to the Placing Agent that, from the date of the Placing Agreement and for a period of three months after the date of the Placing Agreement and subject to Completion of the Placing, it will not offer, lend, sell, contract to sell, pledge, grant any option to purchase or otherwise dispose of, any Shares (or any securities convertible into or exchangeable for Shares) without the prior written consent of the Placing Agent.

Conditions precedent and Completion of the Placing

Completion of the Placing is conditional upon:

- (a) the Top-Up Subscription Agreement having been entered into by the parties thereto and each of the conditions to the Top-Up Subscription Agreement (other than any such conditions which relate to this Placing Agreement becoming unconditional and being completed) being satisfied or waived in accordance with its terms; and
- (b) there not having come to the attention of the Placing Agent at any time prior to Completion (i) any breach of, or any event rendering untrue, inaccurate or misleading in any material respect, any of the representations, warranties or undertakings as referred in the Placing Agreement or (ii) any breach of, or failure to perform, any of the other obligations of the Company or the Vendor required to be performed at or before Completion of the Placing.

2. THE TOP-UP SUBSCRIPTION AGREEMENT

On 12 April 2007 at around 10:00 a.m., the Company entered into the Top-Up Subscription Agreement with the Vendor in relation to the latter's subscription of up to 110,000,000 Top-Up Subscription Shares, which are and will be equal to the maximum number of Placing Shares placed/to be placed, at a subscription price of HK\$0.47 per Top-Up Subscription Shares.

The Top-Up Subscription Price is HK\$0.47 per Share, being the same as the Placing Price, which was determined after arm's length negotiation between the Company and the Vendor with reference to the Placing Price of the Placing Shares. The aggregate nominal value of the Top-Up Subscription Shares is HK\$5.5 million.

The shareholding structure of the Company before and after the Completion of the Top-Up Subscription has been set out under the heading "Changes in Shareholding Structure" below.

Conditions precedent and Completion of the Top-Up Subscription

Completion of the Top-Up Subscription is conditional upon:

- (a) the GEM Listing Committee having granted the listing of, and permission to deal in, the Top-Up Subscription Shares (and such permission and listing not subsequently being revoked prior to the allotment and issue of the Top-Up Subscription Shares); and
- (b) completion of the Placing in accordance with the terms of the Placing Agreement by no later than 7:00 p.m. on 25 April 2007.

Under Rule 20.31(3)(d) of the GEM Listing Rules, the Top-Up Subscription must be completed within 14 days from the date of the Placing Agreement, that is, on or before 26 April 2007 for exempting from Independent Shareholders approval.

In the event that the conditions to the Top-Up Subscription Agreement are not fulfilled by 25 April 2007, the Company and the Vendor may elect, subject to compliance with all requirements in relation to connected transactions under the GEM Listing Rules (including the Independent Shareholders' approval), to postpone completion of the Top-Up Subscription to a later date to be agreed between the Company and the Vendor.

The Directors (including the independent non-executive Directors) are not aware of the occurrence of any of such events as at the date of this announcement.

Use of proceeds

Taking into account the estimated expenses of the Placing and the Top-Up Subscription in the total amount of approximately HK\$2.0 million, the net price of each Placing Share (and each Top-Up Subscription Share) to be received by the Vendor (in the case of the Placing) and the Company (in the case of the Top-Up Subscription) is approximately HK\$0.45. Assuming all the Placing Shares are successfully placed, the gross proceeds from the Top-Up Subscription are HK\$51.7 million and the net proceeds from the Top-Up Subscription are then estimated to be approximately HK\$49.70 million. It is the intention of the Company to use approximately HK\$16.57 million for general working capital of the Group and the remaining balance of approximately HK\$33.13 million for investments in the mobile value-added service business

of the telecommunication sector in the PRC and existing or future investment or business development of the Group, 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.

General Mandate

The Top-Up Subscription Shares will be issued out of the general mandate refreshed at the special general meeting of the Company held on 9 March 2007 granting the Directors the power to allot, issue and deal in 191,083,500 Shares, representing 20% of the issued share capital of the Company as at that date. Such refreshed general mandate has not been utilised prior to the Top-Up Subscription Agreement.

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:

- (i) An 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 the record date payable in full on application which has become unconditional on 28 February 2007. The net proceeds of the open offer was approximately HK\$17.50 million, of which approximately HK\$12 million was intended to 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 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. Out of the net proceeds of approximately HK\$17.50 million, HK\$7.12 million has been utilized for the repayment of the promissory notes issued by the Company in favour of Mr. Hsu Tung Sheng and Union Bridge Power Systems Limited on respectively 5 January 2007 and 20 March 2006 while the balance of approximately HK\$10.38 million remains un-utilised. The aforementioned promissory notes, which had been classified as long-term liabilities of the Group at the time of issued, were issued as part of the consideration for respectively the investment in Media Magic Technology Limited which has been disclosed in the announcement of the Company dated 23 November 2006 and the investment in Union Bridge Group Limited which has been disclosed in the announcement of the Company dated 23 January 2006.
- (ii) 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 as to approximately HK\$5.1 million towards general working capital of the Group. As at the date of this announcement, the Company has applied as intended (a) approximately HK\$10 million for the consideration for the acquisition of 20% of the shareholding interests 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; (b) approximately HK\$2 million for future development of the Group, i.e. payment for the capital expenditure of the Group; and (c) approximately HK\$5.1 million for general working capital of the Group.

- (iii) 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 exercise of the warrants, the Company would receive 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 net proceeds from warrant placing of HK\$1.1 million had been utilized as general working capital of the Group. 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. Out of the gross proceeds, HK\$5 million has been utilized for the repayment of the promissory notes (considerations for investments as stated above) issued by the Company in favour of Mr. Hsu Tung Sheng and Union Bridge Power Systems Limited on respectively 5 January 2007 and 20 March 2006 while the remaining balance has not been utilized as at the date of this announcement.

The Company considers that the actual application of the proceeds from the above fund raising activities as stated has been used as intended and there had not been and the Company does not intend to change any intended use of the remaining proceeds from the above fund raising activities as stated in the relevant announcements.

Application for listing

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Top-Up Subscription Shares to be issued under the Top-Up Subscription. The Top-Up Subscription Shares, when issued and allotted on Completion of the Top-Up Subscription, will rank pari passu in all respects with the then existing Shares in issue.

Reasons for the Placing and the Top-Up Subscription

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.

Subsequent to a series of acquisitions 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 turn-around from loss-making of approximately HK\$1.3 million in the same period in the previous year to approximately HK\$0.8 million profit this period. 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 future investments.

Further to the announcement of the Company dated 23 November 2006 in relation to the acquisition of 31% interest in Media Magic Technology Limited, the Company is contemplating the exercise of the option to acquire equity interest in PalmPay Technology Co. Ltd. (北京互

聯視通科技有限公司) under the ancillary agreements as disclosed therein. Moreover, in view of the business development and the principal business carried on by the Group, a strong financial position is no doubt advantageous. As indicated above, the remaining proceeds from the aforementioned fund raising activities will be applied as intended to cover financial needs of existing business and future development of the Group. In view of the current positive market sentiment, the Directors (including the independent non-executive Directors) consider it just to capture the present fund raising opportunity.

The Directors consider that the Placing and the Top-Up Subscription, which does not create any interest payment obligations on the Group, represent an opportunity for the Company to enhance its working capital and strengthen its capital base and financial position. Upon completion of the Placing and the Top-Up Subscription, the Company will be in 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.

Changes in Shareholding Structure

Shareholders	As at the date of this announcement		Immediately after Placing but before Top-Up Subscription		Immediately after Placing and Top-Up Subscription	
	No. of Shares held	Approximately shareholding %	No. of Shares held	Approximately shareholding %	No. of Shares held	Approximately shareholding %
Vendor	322,795,000	33.30	212,795,000	21.95	322,795,000	29.90
Union Bridge Power Systems Limited (Note 1)	155,917,500	16.08	155,917,500	16.08	155,914,500	14.44
Mr. Wan Kin Chung (Note 2)	450,000	0.05	450,000	0.05	450,000	0.04
Mr. Wong Tak Shing (Note 2)	5,175,000	0.53	5,175,000	0.53	5,175,000	0.48
Mr. Cheng Kwong Chung (Note 2)	5,625,000	0.58	5,625,000	0.58	5,625,000	0.52
Mr. Lo Ka Tong (Note 2)	5,625,000	0.58	5,625,000	0.58	5,625,000	0.52
Mr. Hsu Tung Sheng (Note 3)	45,000,000	4.64	45,000,000	4.64	45,000,000	4.17
Mr. Hsu Tung Chi (Note 3)	4,450,000	0.46	4,450,000	0.46	4,450,000	0.41
Ms. Hsu Ying Mei (Note 3)	9,550,000	0.99	9,550,000	0.99	9,550,000	0.88
Public:						
– The Placees (Note 4)	0	0.00	110,000,000	11.35	110,000,000	10.19
– Rich Regent Inc. (Note 5)	49,500,000	5.10	49,500,000	5.10	49,500,000	4.59
– Other public Shareholders	365,330,000	37.69	365,330,000	37.69	365,330,000	33.86
	414,830,000	42.79	524,830,000	54.14	524,830,000	48.64
TOTAL	969,417,500	100.00	969,417,500	100.00	1,079,417,500	100.00

Notes:

- Union Bridge Power Systems Limited is a company beneficially owned as to 51.83% by Mr. Lo Ka Tong (see note 2 as well) and Ms. Cheng Pui Ping collectively and 48.18% by 12 individual and corporate owners. Ms. Cheng Pui Ping is a director of eight subsidiaries of the Company.
- Mr. Wan Kin Chung, Mr. Wong Tak Shing, Mr. Cheng Kwong Chung and Mr. Lo Ka Tong are executive Directors.

3. Mr. Hsu Tung Sheng is a director of two subsidiaries of the Company, namely Media Magic Technology Limited and Multi Channel Technology Limited. Mr. Hsu Tung Chi is a director of subsidiaries of the Company. Ms Hsu Ying Mei is an employee of the Group.
4. None of the Placees will become a substantial Shareholder upon Completion of the Placing.
5. Rich Regent Inc. is a company beneficially and wholly owned by Mr. Ng Sze Hoi, Danny. 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.

2. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 10:16 a.m. on 12 April 2007 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 16 April 2007.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	board of the Directors
“Company”	Union Bridge Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM
“Completion of the Placing”	completion of the Placing pursuant to the Placing Agreement
“Completion of the Top-Up Subscription”	completion of the Top-Up Subscription pursuant to the Top-Up Subscription Agreement
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules

“Independent Shareholder(s)”	Shareholder(s) other than the Vendor and its associates (as defined in the GEM Listing Rules)
“Placee(s)”	any individual(s), institutional or other professional investor(s) in respect of the subscription of the Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered on 12 April 2007 between the Company, the Vendor and the Placing Agent for the placing of the Placing Shares
“Placing”	the placing of the Placing Shares, on a best effort basis, by the Placing Agent under the Placing Agreement
“Placing Agent”	DBS Asia Capital Limited, the placing agent specified in the Placing Agreement, a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Placing Price”	HK\$0.47 per Placing Share
“Placing Shares”	up to 110,000,000 existing Shares to be placed under the Placing Agreement
“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
“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 the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top-Up Subscription”	the subscription of 110,000,000 new Shares pursuant to the terms of Top-Up Subscription Agreement
“Top-Up Subscription Agreement”	the conditional subscription agreement made between the Vendor and the Company dated 12 April 2007 in relation to the Top-Up Subscription
“Top-Up Subscription Share(s)”	a total of 110,000,000 new Shares to be subscribed for by the Vendor pursuant to the Top-Up Subscription Agreement

“Top-Up Subscription Shares”	HK\$0.47 per Top-Up Subscription Share
“Vendor”	Starryland Profits Limited, wholly and beneficially owned by Mr. Lau Kim Hung, Jack, who does not hold any positions in the Group
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 13 April 2007

As at the date of this announcement, the executive Directors are Mr. Wan Kin Chung, Mr. Wong Tak Shing, Mr. Cheng Kwong Chung, Mr. Lo Ka Tong and Mr. Chan Hin Wing, James and the 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 enquires, confirm that, to the best of their knowledge and belief that:– (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its publication.