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**The Manager
Australian Stock Exchange
Company Announcements Office
Exchange Centre
Level 4 20 Bridge Street
Sydney NSW 2000**

No of pages: 2

Dear Sir

VEM Aktienbank AG

The company has recently become aware that VEM Aktienbank AG, has published on its company website http://vemcms.equitystory.com/fileadmin/user_upload/VEM/Home/Hinweisbekanntmachung_Orchid_07.01.23.pdf) the below announcement, which is an English translation of the German language announcement:

a voluntary offer is made, under German law, and made only to shareholders of Orchid Capital Ltd with a residence in Germany and NOT to any other shareholders, to buy up to 24 million Orchid shares for a price of 0.03 EURO.

This offer expires on February 6, 2pm local time, and VEM may prolongate the offer.

Shareholders may read the full text of the offer here:

[\(\[http://vemcms.equitystory.com/fileadmin/user_upload/VEM/Home/Hinweisbekanntmachung_Orchid_07.01.23.pdf\]\(http://vemcms.equitystory.com/fileadmin/user_upload/VEM/Home/Hinweisbekanntmachung_Orchid_07.01.23.pdf\)\)](http://vemcms.equitystory.com/fileadmin/user_upload/VEM/Home/Hinweisbekanntmachung_Orchid_07.01.23.pdf)

As indicated in our announcement of 5 December 2006 the Company mandated VEM Aktienbank AG Munich, Germany, as Designated Sponsor for trading of Orchid Capital's shares on the German trading system XETRA.



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VEM Aktienbank AG has also been mandated by Gongyou Machines Ltd (previous name of the company was Asia Gongyou (Holdings) Pte Ltd) to perform a listing on the Frankfurt stock exchange. The process of a listing of Gongyou Machines Ltd., as announced on September 12, 2006, has advanced significantly. As of today Gongyou Machines Ltd. is awaiting the final approval for commencement of trading from the Frankfurt stock exchange, or information on a possible date of such listing.

Orchid Capital is the lead investor in the Pre-IPO investment round of Gongyou Machines Ltd.

Yours faithfully

Richard Lambe

Company Secretary