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The Manager
Australian Stock Exchange
Company Announcements Office
Exchange Center
Lvl 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir

Orchid capital is pleased to announce the successful listing of Gongyou Machines Ltd. on the Frankfurt Stock Exchange

Orchid has successfully listed the most important company in its portfolio, Gongyou Machines Ltd., on the Open Market of the Frankfurt Stock Exchange. Gongyou is incorporated in Singapore and the operations are based in Weihai, Shandong Province, China.

Gongyou is the first Chinese company with its primary listing in Germany.

Orchid Capital Ltd.'s role was that of international coordinator of the listing, and of lead investor of the Pre-IPO investment round. Orchid owns a stake of 10.3 % in Gongyou after the listing.

Gongyou Machines Ltd. is a leading manufacturer of woodworking machines in China with a market share of approx. 60 % in the segment of small-to-medium woodworking machines. Gongyou's staff of 1260 produce about 500,000 machines per year, which are sold via 115 Chinese and 20 foreign distributors.

Gongyou's net profit in the financial year, which ended on 30.06.2006, was RMB 33.7 million.

Gongyou's clients are mainly from the wood processing and furniture industry. Gongyou's export share of revenues is currently about 20%, but it is planned to increase it to 80% in the long run.

The woodworking industry in China and many other emerging markets enjoys strong growth, and Chinese machinery suppliers benefit from a very competitive price-quality ratio and an increasing international market share.

Gongyou's R&D department of 150 staff has developed more than 200 machine types, owns many patents and currently develops 50 new machine types per year.



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Proceeds from the placement will be used for the increase of production capacity, as well as for the expansion of the domestic and international distribution network.

More information on Gongyou can be found on www.gongyoumachines.com

The founding shareholders are subject to lock-up-agreements. The management holds a majority stake in the company.

Orchid Capital Ltd.'s CEO, Julian Sandt, is a board member of Gongyou Machines Ltd.

The listing was transacted by TradeCross AG, a subsidiary of VEM Aktienbank AG.

The company will keep shareholders fully informed of developments in respect to Gongyou and of potential other investment opportunities it is working on.

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Yours faithfully

Richard Lambe
Company Secretary
Orchid Capital Limited