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**The Manager
Australian Stock Exchange
Company Announcements Office
Exchange Centre
Level 4 20 Bridge Street
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Dear Sir

**ORCHID CAPITAL AS LEAD INVESTOR COMPLETES S\$5,400,000 Pre-IPO
INVESTMENT ROUND FOR GONGYOU**

The pre-IPO investment round in Asia Gongyou (Holdings) Pte Ltd. ("Gongyou") has now been completed. The total amount raised was S\$5,400,000 (approx A\$4.554 million), in the form of a convertible loan.

Orchid Capital Ltd, through its wholly owned subsidiary, Orchid EMARB Limited, as lead investor has invested S\$2,200,000 (approx A\$1.855 million).

Based in Weihai (Shandong Province), Gongyou is China's largest producer of woodworking machines. China's domestic market continues to expand strongly, and Gongyou's exports are expanding significantly. Gongyou's management accounts for the first half of 2006 clearly indicate strong growth in revenue and profit for this year

Gongyou intends to list on an international stock exchange in the near future.

Yours faithfully,
**Julian Sandt
Chief Executive Officer**