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## **FIRST ASIA CAPITAL INVESTMENT LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

**Stock code: 1227**

### **ANNOUNCEMENT**

This announcement is made at the request of the Stock Exchange to provide information to the public in respect of high concentration of the shareholding of the Company in the hands of a small number of shareholders as at 10th June, 2003 and 2nd March, 2004 based on the information received from SFC.

As at 10th June, 2003 and 2nd March, 2004, two groups consisting of 18 shareholders aggregately held 81.5 % and 99.9% of the issued share capital of the Company respectively.

The Company is an investment company which engages principally in the investment in listed and unlisted companies mainly in Hong Kong and the PRC. The Company's share price has been trading at a substantial premium over its reported NAV since the listing of the Company on 27th September, 2002. As at 31st January, 2004, the Company's shares were traded at a premium of 665% over its reported NAV of HK\$0.20 as at 31st January, 2004.

The directors of the Company are not aware of the reasons for the Company's shares trading at a substantial premium of the Company's NAV.

**Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the shares of the Company due to the high concentration of shareholding of the Company's shares as at 10th June, 2003 and 2nd March, 2004.**

The trading in the shares of the Company has been suspended since 9:30 a.m. 15th March, 2004 pending an announcement in relation to a share transaction of the Company. The Company was advised by a substantial shareholder that her shares in the Company are being disposed to some institutions and the legal matters are being finalized. The Company expects that the Share Transactions will be completed by the end of this month.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") to provide information to the public in respect of high concentration of the shareholding of First Asia Capital Investment Limited (the "Company") in the hands of a small number of shareholders as at 10th June, 2003 and 2nd March, 2004.

#### **(i) Concentration of shareholding in the Company**

On the basis of information provided by The Securities and Futures Commission (the "SFC"), two groups, being Group A and Group B, consist of 18 shareholders aggregately held 81.5% and 99.9% of the issued share capital of the Company as at 10th June, 2003 and 2nd March, 2004 respectively.

Shareholders of Group A are the chairman of the Company and his two related parties, being the spouse and the brother of the chairman (the “Related Parties”) (one of them was a placee of the initial public offering of the Company on 27th September, 2002 (“IPO”)), while shareholders of Group B consist of 15 shareholders in which 7 of them were placees of the IPO.

The percentage holding for shareholders in each of Group A and Group B in the issued share capital of the Company as at 10th June, 2003 and 2nd March, 2004 are listed as follows:

Group Shareholders	As at 10th June, 2003		As at 2nd March, 2004		Remark
	No. of shares	% of issued shares	No. of shares	% of issued shares	
A chairman and his two Related Parties	12,896,000	25.8%	12,896,000	25.8%	1 placee
B 15 shareholders	27,832,000	55.7%	37,060,000	74.1%	7 placees
<b>Total</b>	<u>40,728,000</u>	<u>81.5%</u>	<u>49,956,000</u>	<u>99.9%</u>	

This implies that only 18.5% and 0.1% of the Company’s issued shares were in the hands of other investors as at 10th June, 2003 and 2nd March, 2004 respectively.

**(ii) Share price traded at a premium over net asset value of the Company**

The Company is an investment company which engages principally in the investment in listed and unlisted companies mainly in Hong Kong and the PRC. The Company’s share price has been trading at a substantial premium over its reported net asset value since listing. During the period from 27th September, 2002 to 31st January, 2004, share price rose 206% from the price of HK\$0.50 to HK\$1.53 on 31st January, 2004, despite its reported net asset value per share (“NAV”) has moved on a downward trend from HK\$0.42 to HK\$0.20 during the same period. As at 31st January, 2004, the Company’s shares were traded at a premium of 665% over its reported NAV of HK\$0.20 as at 31st January, 2004.

The directors of the Company are not aware of the reasons for the Company’s shares trading at a substantial premium of the Company’s NAV. The chairman confirmed that, other than his two Related Parties, he has no connection with other shareholders of the Company.

The directors further confirmed that the aforesaid concentration of shareholding of the Company and share price traded at a substantial premium over the Company’s NAV will not have any material adverse impact on the operation and investment objectives and policies of the Company.

**Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the shares of the Company due to the high concentration of the shareholders of the Company’s shares as at 10th June, 2003 and 2nd March, 2004.**

The trading in the shares of the Company has been suspended since 9:30 a.m. 15th March, 2004 pending an announcement in relation to a share transaction of the Company (the “Share Transaction”). The Company was advised by a substantial shareholder that her shares in the Company are being disposed to some institutions and the legal matters are being finalized. The Company expects that the Share Transactions will be completed by the end of this month.

**As at the date of this announcement, the directors of the Company are:**

**Executive Director**

Mr. Li Sze Tang

Mr. Wu Tse Wai, Frederick

**Independent Non-executive Director**

Mr. Kwok Ming Wa

Mr. Wang Tianye

By order of the Board  
**First Asia Capital Investment Limited**  
**Li Sze Tang**  
*Chairman*

Hong Kong, 19th April, 2004

“Please also refer to the published version of this announcement in The Standard”.