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**ANGELS**  
  
**ANGELS TECHNOLOGY COMPANY LIMITED**  
**英君技術有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 8112)

**PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing and Underwriting Agreement**

The Board announces that the Company had on 27 February, 2006 entered into a Placing and Underwriting Agreement with Pacific Foundation Securities Limited (the “Placing Agent and Underwriter”), pursuant to which the Company agreed conditionally to issue a total of 40,800,000 Placing Shares at a price of HK\$0.10 each.

The Placing Shares will be issued through the Placing Agent and Underwriter, to Placees who are not connected persons of the Company and are independent of and not connected with the directors, chief executive, substantial shareholders of the Company or its subsidiaries, or any of their respective associates as defined in the GEM Listing Rules. The Placees are also independent of each other.

The Placing Shares represent approximately 20% of the Company’s existing issued share capital and approximately 16.7% of the Company’s issued share capital as enlarged by the Placing Shares. The Placing is made by the Placing Agent and Underwriter on a best endeavours basis.

Completion of each of the Placing and Underwriting Agreement is conditional upon (i) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Placing Shares; and (ii) listing of the Shares on the Stock Exchange at the Completion not having been revoked and such listing not being withdrawn as a result of the Completion.

The Board intends to use the net proceeds from the Placing of approximately HK\$3.88 million for the Group for general working capital purpose and as the Directors think appropriate.

Trading in the Shares was suspended at the request of the Company with effect from 9:30a.m. on 27 February, 2006 pending the release of this announcement. The Company has applied for resumption of trading in the Shares with effect from 9:30 a.m. on 28 February, 2006.

## **THE PLACING AND UNDERWRITING AGREEMENT**

The Board announces that the Company has on 27 February, 2006 entered into the Placing and Underwriting Agreement, pursuant to which the Company agreed conditionally to issue a total of 40,800,000 Placing Shares and to be underwritten by the Placing Agent and Underwriter.

### **Placing and Underwriting Agreement**

1. Date  
27 February, 2006
2. Placing and Underwriting Agreement

The Company has appointed Pacific Foundation Securities Limited as the Placing Agent and Underwriter to subscribe or to procure Placees to subscribe for the Placing Shares at the issue price.

The Placing Agent and Underwriter and its ultimate beneficial owners are not connected persons of the Company and are independent of and not connected with the directors, chief executive, substantial shareholders of the Company or its subsidiaries, or any of their respective associates as defined in the GEM Listing Rules.

### **Total number of Placing Shares**

A total of 40,800,000 new Shares, representing about 20% of the Company's existing issued share capital and 16.7% of the Company's issued share capital as enlarged by the issue of the Placing Shares.

### **The Placees**

The number of Placees is seven individuals. The Placees and their ultimate beneficial owners are not connected persons of the Company are independent of and not connected with the directors, chief executive, substantial shareholders of the Company or its subsidiaries, or any of their respective associates as defined in the GEM Listing Rules. The Placees are also independent of each other. As at the date of the Placing and Underwriting Agreement and the date of this announcement, the Placees and their associates did not hold any Shares or interest in the Company. Anyone of the Placees will not become a substantial shareholder of the Company.

### **Issue Price**

HK\$0.10 per Placing Share, representing the average closing price of HK\$0.1048 per Share for the five trading days up to and including 24 February, 2006 at a discount of 4.58% (being the last trading day of the Shares prior to the suspension of the Shares on 27 February 2006) and representing 9.9% discount to the closing price of HK\$0.111 per Share, as quoted on the Stock Exchange on 24 February 2006 (being the last trading day of the Shares prior to the suspension of the Shares on 27 February 2006). The net placing price per share is HK\$0.095.

The terms of the Placing and Underwriting Agreement, including the Placing Price, were arrived at after arm's length negotiations between the Company and the Placing Agent. The Board considers that the terms of the Placing and Underwriting Agreement to be fair and reasonable and in the best interests of the Company.

## **Ranking**

The Placing Shares when fully paid will rank pari passu in all respects with the existing issued Shares.

## **Conditions of the Placing and Underwriting Agreement**

Completion of each of the Placing and Underwriting Agreement is conditional upon (i) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Placing Shares; and (ii) listing of the Shares on the Stock Exchange at the Completion not having been revoked and such listing not being withdrawn as a result of the Completion.

## **Completion**

Completion of the Placing and Underwriting Agreement will take place by 11:00a.m. on the Closing Date after fulfillment of the above conditions.

## **General mandate**

The Placing Shares will be issued under the general mandate to allot, issue and deal with Shares granted to the Board at the extraordinary general meeting of the Company held at 3:00p.m. on 10th May 2005. As at the date of this announcement, no shares had been issued pursuant to the aforesaid existing general mandate other than the Placing Shares.

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for listing of and permission to deal in the Placing Shares.

## **Reasons for the Placing and Underwriting Agreement and use of proceeds**

The Board considers that the Placing and Underwriting Agreement represents an opportunity to raise additional funds for the Group while broadening the shareholder's base and capital base of the Company. The net proceeds from the Placing would be approximately HK\$3.88 million. The Board intends to use the net proceeds for the Group for general working capital purpose and as the Directors think appropriate. The Board considers that the terms of the Placing are fair and reasonable and are in the best interest of the Company and its shareholders.

## Shareholding of the Company

The table below sets out the Company's shareholding structure before and after completion of the Placing and Underwriting Agreement which are prepared on the basis of the existing issued Shares of the Company as at the date of this announcement:

	Shareholding before the Placing and as at the date of this announcement		Shareholding after Completion of Placing	
	No. of Shares	%	No. of Shares	%
<b>Substantial Shareholders</b>				
(i) Sebastian International Holdings Limited ( <i>Note 1</i> )	20,000,000	9.8	20,000,000	8.2
(ii) Lucky Team International Limited ( <i>Note 2</i> )	56,900,000	27.9	56,900,000	23.2
(iii) Li Gui Yan	35,100,000	17.2	35,100,000	14.3
(vi) Placees	–	–	40,800,000	16.7
(vii) Public	92,000,000	45.10	92,000,000	37.6
	<u>204,000,000</u>	<u>100.0</u>	<u>244,800,000</u>	<u>100.0</u>

### Notes:

1. Sebastian is a company incorporated in the British Virgin Islands with limited liability, and wholly owned by Mr. Yan Daniel X.D., the Chairman and an executive director of the Company.
2. Lucky Team International Limited is a company incorporated in the British Virgin Island with limited liability, which is 100% beneficially owed by Mr. Mak Shiu Chung Godfrey an executive director of the Company.

## GENERAL INFORMATION OF THE COMPANY

The Company is principally engaged in the provision of solution to mechanical and electrical transportation projects in the People's Republic of China, including solutions for expressway networks toll collection system and system integration. The Group is also engaged in the research and development of new products in the information technology industry. The Directors consider that the terms of the Placing and Underwriting Agreement to be fair and reasonable based on the current market condition and in the interests of the Company and the Shareholders as a whole.

The Company has not conducted any other equity fund raising activities in the past 12-month period immediately before the date of this announcement.

## SUSPENSION AND RESUMPTION OF TRADING OF SHARES

Trading in the Shares was suspended at the request of the Company with effect from 9:30a.m. on 27 February, 2006 pending the release of this announcement. The Company has applied for resumption of trading in the Shares with effect from 9:30a.m. on 28 February 2006.

As at the date hereof, the executive Directors are Mr. Yan Daniel X.D., Mr. Mak Shiu Chung Godfrey and Mr. Lau Andrew Kim and the independent non-executive Directors are Mr. Yang Xiaoping, Mr. Zhao Ming, Ms. Wu Xin and Mr. Wilson Kwok Chi Shing.

## DEFINITIONS

“Associates”	has the meaning ascribed to it in the Rules Governing the Listing of Securities on the GEM;
“Closing Date”	means the day immediately following the Unconditional Date provided that, if such date is not a date on which the Shares are traded on the Stock Exchange, then the Closing Date shall be the next succeeding date on which the shares are so traded (or such other time or date as the Company and Pacific Foundation Securities Limited may agree) on which closing of the Placing shall take place;
“Company”	Angels Technology Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM;
“Completion”	completion of the Placing and Underwriting Agreement;
“Conditions”	means (a) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment and matters ancillary thereto) listing of and permission to deal in the Placing Shares; and  (b) listing of the Shares on the Stock Exchange at the Completion not having been revoked and such listing not being withdrawn as a result of the Completion.
“Directors”	directors including independent non-executive director(s) of the Company;
“Group”	the Company and its subsidiaries;
“GEM”	The Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the GEM;

“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Price”	HK\$0.10 per Placing Share, representing the average closing price of HK\$0.1048 per Share for the five trading days up to and including 24 February, 2006 at a discount of 4.58% (being the last trading day of the Shares prior to the suspension of the Shares on 27 February 2006).
“Placees”	means professional, institutional and other investors procured by or on behalf of the Placing Agent and Underwriter pursuant to its obligations in the Placing and Underwriting Agreement;
“Placing”	the placing of 40,800,000 new Shares under the Placing and Underwriting Agreement;
“Placing Agent and Underwriter”	Pacific Foundation Securities Limited;
“Placing and Underwriting Agreement”	the agreement dated 27 February 2006 entered into the Company and each of the Placees in relation to the Placing;
“Placing Shares”	40,800,000 new Shares to be placed pursuant to the Placing and Underwriting Agreement;
“Shares”	means ordinary shares of HK\$0.10 each in the share capital of the Company;
“Shareholders”	holders of the Shares;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Unconditional Date”	means the date on which all conditions for trading of the Placing Shares are removed;
“%”	per cent.

By Order of the Board  
**Mak Shiu Chung, Godfrey**  
*Executive Director*

Hong Kong, 27 February, 2006

At the date of this announcement, the Board comprises:

*Executive Directors*

Mr. Yan, Daniel X.D.

Mr. Mak Shiu Chung, Godfrey

Mr. Lau, Andrew Kim

*Independent Non-Executive Directors*

Mr. Yang Xiaoping

Mr. Zhao Ming

Ms. Wu Xin

Mr. Wilson Kwok Chi Shing

*This announcement, for which the directors (the “Directors”) of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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 at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least seven days from the date of its posting.*