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RONTEX

RONTEX INTERNATIONAL HOLDINGS LIMITED

朗迪國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1142)

ANNOUNCEMENT LETTER OF INTENT

On 23 June 2006, the Vendor entered into the LOI with Jump Go in respect of a possible acquisition of the Sale Shares, representing approximately 60.31% of the entire issued share capital of the Company.

Trading in the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 26 June 2006 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares at 9:30 a.m. on 28 June 2006.

The Directors were informed by the Vendor that no binding agreement has been entered into between the Vendor and Jump Go for the acquisition of the Sale Shares. **The Directors wish to emphasize that since the provision in the LOI for the acquisition of the Sale Shares is not legally binding and the transactions contemplated under the LOI may or may not proceed, public investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.**

THE LOI

On 23 June 2006, the Vendor entered into the LOI with Jump Go pursuant to which the parties to the LOI have agreed to use their best endeavours to conduct negotiations in good faith towards each other in respect of a possible acquisition of the Sale Shares and subject to the specific terms and conditions (including but not limited to the consideration, conditions precedent, completion matters and representations, warranties and undertakings to be given by the parties) of the acquisition of the Sale Shares being agreed, to enter into a binding sale and purchase agreement as soon as reasonably practicable and in any event, on or before 11 August 2006 (or such later date as may be agreed by the Vendor and Jump Go). Prior to the entering into of the formal sale and purchase agreement, a due diligence exercise will be carried out by Jump Go.

The Vendor is the beneficial owner of 982,800,000 Shares, representing approximately 60.31% of the entire issued share capital of the Company as at the date of this announcement. Under the LOI, the Vendor has indicated its intention to sell to Jump Go the Sale Shares, amounting to approximately 60.31% of the entire issued share capital of the Company as at the date of this announcement. Under the LOI, Jump Go shall pay to (i) its legal advisers as an escrow agent forthwith upon the signing of LOI a sum of HK\$2,000,000 as earnest money to be held in escrow in accordance with the terms and conditions of an escrow letter separately agreed by the Vendor, Jump Go and the escrow agent; and (ii) the Vendor a sum of HK\$300,000 as non-refundable deposit for the proposed acquisition of Sale Shares within 2 business days from the date of the LOI. The said earnest money and the said non-refundable deposit had been paid on the date of the LOI and on 26 June 2006 respectively.

As at the date of the announcement, the total number of the issued Shares is 1,629,497,200 and a total number of 34,024,000 options granted on 4 November 2003 under the share option scheme adopted on 19 October 2002 and which became effective on 8 November 2002 are outstanding. Under the said share option scheme, the holders of the options are entitled to subscribe for Shares at an exercise price of HK\$0.3325 per Share during the period between 4 November 2003 and 3 November 2008. Save as disclosed, there are no outstanding convertible securities, warrants, options and derivatives of the Company.

Each of Jump Go and its ultimate beneficial owner, Wan Pak Kuen, is an Independent Third Party.

As advised by the Vendor, the reasons for conducting negotiations as to the possible disposal of the Sale Shares is to consider and explore business opportunities which the Vendor may consider attractive as part of its investment portfolio.

Should any definitive sale and purchase agreement be entered into and completed as a result of the negotiations, the acquisition of the Sale Shares would result in a change in control of the Company and in such eventuality a general offer will be extended by Jump Go for all the issued Shares (other than those owned or agreed to be acquired by Jump Go and parties acting in concert with it) in accordance with the Takeovers Code.

All parties have agreed in principle under the LOI to conduct negotiations in good faith towards each other along the understanding and the intention of the parties set out in the LOI in respect of the possible acquisition of the Sale Shares. However, there is no assurance that any definitive agreement(s) may be reached between the parties. The Company will make further announcement(s) in accordance with the Takeovers Code as and when appropriate to keep Shareholders informed.

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Trading in the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 26 June 2006 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares at 9:30 a.m. on 28 June 2006.

DEALING DISCLOSURE

The respective associates of Jump Go and the Company are reminded to disclose their dealings in the securities of the Company in accordance with Rule 22 of the Takeovers Code.

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This does not alter the obligation of the principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	Rontex International Holdings Limited, a company incorporated in the Cayman Islands, the issued Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Executive”	the executive director of the corporate finance division of the Securities and Futures Commission or any delegate of the executive director
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	persons who are third parties independent of the Company and its subsidiaries, its directors, chief executives and substantial shareholders or their respective associates and are not connected persons of the Company and its subsidiaries

“Jump Go”	Jump Go Development Limited, a company incorporated in the BVI with limited liability, which is wholly and beneficially owned by Wan Pak Kuen
“LOI”	the non-legally binding letter of intent dated 23 June 2006 and entered into between the Vendor and Jump Go setting out the basic understanding between the parties thereto in connection with the possible acquisition of the Sale Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Sale Shares”	an aggregate of 982,800,000 Shares, which are fully paid up or credited as fully paid up and beneficially owned by the Vendor
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“Vendor”	Star Master International Ltd., a company incorporated in the BVI with limited liability, which is beneficially owned as to 50% and 50% by Mr. Cheung Keng Ching and Madam Chou Mei respectively, and is the beneficial owner of the Sale Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board of
Rontex International Holdings Limited
Cheung Keng Ching
Chairman

Hong Kong, 27 June 2006

As at the date of this announcement, the executive Directors are Mr. Cheung Keng Ching and Madam Chou Mei and the independent non-executive Directors are Mr. Wan Ngar Yin David, Mr. Lo Siu Tong Alfred and Madam Wong Lai Wah Ada.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

** For identification purpose only*

Please also refer to the published version of this announcement in the China Daily.