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LINEFAN TECHNOLOGY HOLDINGS LIMITED

藍帆科技控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

BY WAY OF PLACING

**Number of Placing Shares : 200,000,000 Shares (subject
to Over-allotment Option)**

Placing Price : HK\$0.24 per Placing Share

Nominal Value : HK\$0.01 each

Stock Code : 8166

Sponsor



Shenyin Wanguo Capital (H.K.) Limited

Joint-Lead Managers



Shenyin Wanguo Capital (H.K.) Limited



**漢宇融資(亞洲)有限公司
GC Capital (Asia) Limited**

Underwriters

Delta Asia Securities Limited

South China Securities Limited

Worldsec International Limited

Vermont Securities Company Limited

Summary

- Total applications of 2,066,900,000 Shares from potential investors have been received, representing approximately 10.33 times the 200,000,000 Placing Shares initially available in the Placing.
- On 30th January, 2002, Shenyin Wanguo Capital (H.K.) Limited and GC Capital (Asia) Limited have exercised the Over-allotment Option in full to cover over-allocations in the Placing.
- The 220,000,000 Shares in the Placing have been allocated in full to a total of 140 places.
- All the places are independent of and not connected with any of the directors, chief executive, management shareholders, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.
- Dealings in the Shares of the Company on GEM are expected to commence at 10:00 a.m. on Tuesday, 5th February, 2002.

This announcement is further to the formal notice of Linefan Technology Holdings Limited (the “Company”) dated 28th January, 2002. Unless otherwise defined herein, the terms used in this announcement shall have the same meanings as in the prospectus of the Company dated 28th January, 2002.

LEVEL OF INTEREST

Total applications of 2,066,900,000 Shares from potential investors have been received by the Underwriters. Out of the applications of 2,066,900,000 Shares, Shenyin Wanguo Strategic Investments (H.K.) Limited (a fellow subsidiary of the Sponsor) and Taiwan Concord Capital Securities (HK) Limited (one of the placing agents) have submitted applications in respect of 40,000,000 Shares and 2,000,000 Shares respectively.

The 200,000,000 Placing Shares were approximately 10.33 times subscribed and have been conditionally allocated to professional, institutional and other investors. An additional 20,000,000 new Shares, which will be issued pursuant to the exercise of the Over-allotment Option, have been conditionally allocated to places to cover over-allocations in the Placing.

All the places are independent of and not connected with any of the directors, chief executive, management shareholders, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

Out of the 220,000,000 Shares, (i) 4,570,000 Placing Shares are allotted to Shenyin Wanguo Strategic Investments (H.K.) Limited, a fellow subsidiary of the Sponsor and (ii) 100,000 Placing Shares are allotted to Taiwan Concord Capital Securities (HK) Limited, one of the placing agents. Save as mentioned above, none of the Placing Shares have been placed to any party or group of persons as specified under Rule 10.12(4) of the GEM Listing Rules.

RESULTS OF ALLOCATION

Pursuant to the Placing and the exercise of the Over-allotment Option, the 220,000,000 Shares have been conditionally allocated to a total of 140 placees. The following table sets out the distribution of the Placing Shares:

	Aggregate number of Placing Shares held	Approximate percentage of the Placing Shares and the issue of the Over-allotment Shares	Approximate percentage of shareholding immediately following the Capitalisation Issue, the Placing and the issue of Over-allotment Shares
Top placee	29,660,000	13.48%	3.19%
Top 5 placees	110,800,000	50.36%	11.93%
Top 10 placees	176,000,000	80.00%	18.94%
Top 25 placees	214,350,000	97.43%	23.58%

The allocation of 220,000,000 Shares to a total of 140 placees is as follows:

Number of Placing Shares	Number of Placees
10,000 – 50,000	98
50,001 – 100,000	9
100,001 – 500,000	10
500,001 – 1,000,000	2
1,000,001 – 2,000,000	5
2,000,001 – 5,000,000	4
5,000,001 – 10,000,000	3
10,000,001 – 20,000,000	7
20,000,001 – 30,000,000	2
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Total	<u>140</u>

There is a high concentration of Shares held by a small number of shareholder. The investors should be aware that the concentration of shareholders may affect the liquidity of the Placing Shares. Shareholders and potential investors are advised to exercise extreme caution in dealing in the Shares.

OVER-ALLOTMENT OPTION

The Directors announce that Shenyin Wanguo Capital (H.K.) Limited and GC Capital (Asia) Limited (on behalf of the Underwriters) have exercised the Over-allotment Option in full on 30th January, 2002 to require the Company to allot and issue 20,000,000 additional new Shares (the “Over-allotment Shares”) at HK\$0.24 per Share (being the Placing Price) to cover over-allocations in the Placing. The Over-allotment Shares represent approximately 2.2 per cent. of the issued share capital of the Company (before exercise

of the Over-allotment Option), and will represent approximately 2.15 per cent. of the enlarged issued share capital of the Company immediately after the issue of the Over-allotment Shares.

SHAREHOLDING STRUCTURE

The Company's shareholding structure is as follows:

Name of Shareholders	Approximate percentage of shareholding immediately before the Placing and the Capitalisation Issue	Approximate percentage of shareholding immediately after the Placing, the Capitalisation Issue and the issue of the Over-allotment Shares
Captial Shares Group Limited	27.65%	21.10%
Ocean Grand Technology Company Limited	23.81%	18.17%
Oak Field Developments Limited	12.95%	9.89%
Impact Asia Enterprises Limited	9.38%	7.16%
Cyber Challenger Limited	5.80%	4.43%
Tradeweb Associates Limited	5.50%	4.20%
Accureach Developments Limited	5.09%	3.88%
Ultra Active Enterprises Limited	4.76%	3.63%
Ms. Haishan Sun	2.98%	2.27%
Ms. Ong Zenaida M.	2.08%	1.59%
Placees	—	23.68%
Total	100%	100%

MINIMUM PUBLIC FLOAT REQUIREMENT

According to Rule 11.23(1) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25 per cent. of its share capital in issue from time to time. Immediately following the Capitalisation Issue, the Placing and the issue of the Over-allotment Shares, but before the exercise of the options which may be granted under the Share Option Scheme, the Company will have a public float of approximately 27.54 per cent. of its enlarged issued Share capital.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM as well as the compliance with the stock admission requirements of Hongkong Clearing, the Shares will be accepted as eligible securities by Hongkong Clearing for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Shares on GEM. Settlement of transactions between participants of the Stock Exchange is required

to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The share certificates issued in respect of the Placing are expected to be deposited into CCASS on 4th February, 2002 for credit to the respective CCASS investor participant stock accounts of the designated CCASS participants of the placees.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on the GEM are expected to commence at 10:00 a.m. on Tuesday, 5th February, 2002.

By order of the Board of
Linefan Technology Holdings Limited
Zhu Zhaofa
Chairman

Hong Kong, 1st February, 2002

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; (iii) 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 appear on the GEM website at www.hkgem.com for at least 7 days from the day of its posting.

* *for identification purpose only*