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This announcement, for which the directors of Linefan Technology Holdings Limited, collectively and individually, accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Linefan Technology Holdings Limited. The directors of Linefan Technology Holdings Limited authorized to issue this announcement, 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.



LINEFAN TECHNOLOGY HOLDINGS LIMITED
(the “Company”)

藍帆科技控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

**EXTRAORDINARY GENERAL MEETING HELD
ON 28 JUNE, 2002
RECEIPT OF TWO COURT ORDERS
RECENT DECREASE IN SHARE PRICE**

An extraordinary general meeting of the Company was held on 28 June, 2002. Two injunctions obtained by one of the directors of the Company were served on the Company on 28 June, 2002.

The board of directors of the Company (the “Director”) has noted the recent decrease in the share price of the Company and wish to state that the Company is not aware of any reasons for such decrease.

Reference is made to the notice of the Company dated 5 June, 2002 (the “Notice”). Terms used herein shall have the same meanings as defined in the Notice.

Extraordinary General Meeting

The EGM was held on 28 June, 2002. At the start of the EGM, the proposal for the postponement of the EGM to 15 July, 2002 at the request of the board of the Directors (the “Board”) was not passed by the shareholders of the Company present at the EGM. The

ordinary resolutions (i) to confirm the appointment of Mr. Zhu Zhaofa (“Mr. ZHU”) as chairman of the Company and chairman of meetings of the Board since the re-election of Mr. ZHU as Director at the Company’s annual general meetings held on 26 April, 2002; (ii) to consider the appointment of Ms. Ma Gui Fang (“Ms. MA”) as executive Director; and (iii) to consider the appointment of Mr. Hu Wei (“Mr. HU”) as independent non-executive Director were passed by the shareholders of the Company present at the EGM.

Court Orders

An ex parte injunction obtained by the non-executive Director, Mr. Yip Kim Po (“Mr. YIP”) against the Company, Mr. ZHU, Mr. Hung Kwok Wa (“Mr. HUNG”), executive Director, Ms. Wang Limin (“Ms. WANG”), executive Director and Mr. Gao Xinmin (“Mr. GAO”), independent non-executive Director was served on the Company on 28 June, 2002. The injunction was obtained in the Hong Kong Courts to the effect that, until the hearing of the Summon or until further order of the Court, all the defendants must not hold or procure to be held any extraordinary general meeting of the Company convened by a purported resolution of the Board made on 1 June, 2002 pursuant to two purported requisitions to convene an extraordinary general meeting both dated 1 June, 2002 until 12 July, 2002.

Another ex parte injunction obtained by Mr. YIP, against the Company, Mr. ZHU, Mr. HUNG, Ms. WANG, Mr. GAO, Ms. MA and Mr. HU was served on the Company on 28 June, 2002. The injunction was obtained in the Hong Kong Courts to the effect that, until the hearing of the Summon or until further order of the Court, all defendants must not holding out Mr. ZHU as chairman of the Board and exercises any of the powers as chairman of the Board, and Ms. MA and Mr. HU as Directors and exercise any of the powers of the Directors.

In view of the above-mentioned events and that the Company itself is one of the defendants under the two Court Orders, the Company is now looking into this matter carefully and will obtain legal advices including the correct interpretation of the timing of serving the first above-mentioned injunction on the Company, and proper procedures the Company should take under these circumstances.

The Company will further announce the progress of the matter.

Recent Decrease in share price

The following statement is made at the request of The Stock Exchange of Hong Kong Limited in accordance with Rule 17.11 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

The Board has noted the recent decrease in the share price of the Company and wish to state that the Company is not aware of any reasons for such decrease.

The Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 19 to 20 of the GEM Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature, save for those disclosed under the paragraphs headed “EGM” and “Court Orders” above.

Other Information

Mr. ZHU, Mr. HUNG, Ms. WANG and Mr. GAO have consented to the release of this announcement.

Mr. YIP, through its legal advisers, raised questions on the timing on serving the first above-mentioned injunction to the Company which should be before the holding of the EGM and is considering bringing contempt proceedings against relevant persons who are allegedly in violation of the Court Order, and required further information not limited to the EGM.

Mr. Tam Yiu Wing, executive Directors, agreed on the same comments of Mr. YIP's legal advisers.

Mr. Yu Xiao Jun, independent non-executive Director, expressed concern on the timing on serving the first above-mentioned injunction on the Company and has no comment to this announcement.

Mr. Lee Kwan Ho, Vincent Marshall, independent non-executive Director, has no comment to this announcement.

By order of the Board
Linefan Technology Holdings Limited
Wang Limin
Executive Director

Hong Kong, 3 July, 2002

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication.

* *For identification only*