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LANG CHAO INTERNATIONAL LIMITED

浪潮國際有限公司

(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	: 100,000,000 Shares
Placing Price	: HK\$0.36 per Placing Share
Nominal value	: HK\$0.01 each
Stock code	: 8141

Joint Sponsors



Bookrunner and Lead Manager



Underwriters

Tai Fook Securities Company Limited
CM-CCS Securities Limited

CAF Securities Company Limited
First Shanghai Securities Limited

Japan Asia Securities Limited

SUMMARY

- Applications for the subscription for a total number of approximately 257,000,000 Placing Shares from potential investors have been received by ICEA, equivalent to approximately 2.57 times of the total number of 100,000,000 Placing Shares initially offered under the Placing. The Offer Size Adjustment Option has not been exercised and has lapsed on 26 April 2004. The 100,000,000 Placing Shares have been conditionally allocated to 116 professional, institutional and/or other investors under the Placing.
- All placees are independent of and not connected with any member of the Group, the Directors, the chief executives of the Company, the Initial Management Shareholders and the substantial shareholders of the Company, its subsidiaries and any of their respective associates. None of the Placing Shares have been placed to any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing.
- Immediately after completion of the Placing and the Capitalisation Issue but before any exercise of any options granted or to be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme, the public float of the Company will be 25% of the enlarged issued share capital of the Company.
- **There is a high concentration of the Shares held by a small number of Shareholders. Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**
- Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Thursday, 29 April 2004.

Unless otherwise defined herein, the terms used in this announcement shall have the same meanings as in the prospectus dated 20 April 2004 (the “Prospectus”) issued by Lang Chao International Limited (the “Company”).

LEVEL OF INTEREST

Applications for the subscription for a total number of approximately 257,000,000 Placing Shares from potential investors have been received by ICEA, equivalent to approximately 2.57 times of the total number of 100,000,000 Placing Shares initially offered under the Placing. The Offer Size Adjustment Option has not been exercised and has lapsed on 26 April 2004. The 100,000,000 Placing Shares have been conditionally allocated to 116 professional, institutional and/or other investors under the Placing.

All placees are independent of and not connected with any member of the Group, the Directors, the chief executives of the Company, Initial Management Shareholders and the substantial shareholders of the Company, its subsidiaries and any of their respective associates. None of the Placing Shares have been placed to any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing.

RESULTS OF ALLOCATION

Pursuant to the Placing, an aggregate of 100,000,000 Placing Shares have been conditionally allocated to a total of 116 professional, institutional and/or other individual investors. The following table sets out the distribution of the Placing Shares:

	Aggregate number of the Placing Shares held	Approximate percentage of the Placing Shares	Approximate percentage of shareholding immediately after completion of the Placing and the Capitalisation Issue
Top placee	12,000,000	12.00%	3.00%
Top 5 placees	48,096,000	48.10%	12.02%
Top 10 placees	77,328,000	77.33%	19.33%
Top 25 placees	95,152,000	95.15%	23.79%

The 100,000,000 Placing Shares will be held by a total of 116 placees as follows:

Number of Placing Shares	Number of placees
8,000 to 80,000	71
88,000 to 160,000	10
168,000 to 320,000	14
328,000 to 640,000	2
648,000 to 1,200,000	6
1,208,000 to 4,800,000	4
4,808,000 to 9,600,000	7
9,608,000 or above	<u>2</u>
Total	<u><u>116</u></u>

There is a high concentration of the Shares held by a small number of Shareholders. Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(1) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its issued share capital at the time the Shares commence dealings on GEM and at all times thereafter. Immediately after completion of the Placing and the Capitalisation Issue but before the exercise of any options granted or to be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme, the public float of the Company will be 25% of the enlarged issued share capital of the Company.

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 HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after the date on which the relevant securities transactions are effected on the Stock Exchange. 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 Shares will be deposited into CCASS on 27 April 2004 for credit to the respective CCASS participants' stock accounts designated by the Underwriters, the placees or their agents (as the case may be). If any events set forth under the paragraph headed "Grounds for termination" in the section headed "Underwriting" of the Prospectus occur at any time prior to 6:00 p.m. on 28 April 2004 being the day immediately preceding the expected Listing Date, ICEA (on behalf of the Underwriters) is entitled to terminate the obligations of the Underwriters under the Underwriting Agreement by notice in writing to the Company. In such a case, an announcement will be issued and published on the GEM website (in English and Chinese) not later than the morning of 29 April 2004.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Thursday, 29 April 2004.

By order of the Board
Lang Chao International Limited
Sun Pishu
Chairman

Hong Kong, 27 April 2004

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 enquires, 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; and (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 remain on the pages of "New Listings" on the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting.