

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

E-SILKROAD.NET

E-SILKROAD HOLDINGS LIMITED

絲網路數碼控股有限公司

(incorporated in the Cayman Islands with limited liability)

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

NEW ISSUE BY WAY OF PLACING

Number of Placing Shares : 130,456,000 (subject to Over-allotment Option)
Placing Price : \$0.25 per Placing Share
Nominal value : \$0.05 each
GEM stock code : 8071

Sponsor and Manager



ORIENTAL PATRON ASIA LIMITED

Co-Sponsor



CELESTIAL CAPITAL LIMITED

Financial Adviser to the Company



Kingsway Asia Capital Limited

Lead-underwriter

Kingsway SW Securities Limited

Underwriters

**Celestial Capital Limited
First Shanghai Capital Limited**

Sanfull Securities Limited

**Oriental Patron Asia Limited
South China Securities Limited**

Summary

- The 130,456,000 Placing Shares were fully subscribed.
- The Company has granted to the Underwriters the Over-allotment Option, which is exercisable by Oriental Patron, for itself and on behalf of the Underwriters, at any time and from time to time during the period of 30 days from the date of the Prospectus dated 26th February, 2001 to require the Company to issue an aggregate of up to 19,560,000 additional Shares at the Placing Price.
- Immediately following the Capitalisation Issue and the Placing (assuming that the Over-allotment Option is not exercised), approximately 23.3% of the enlarged issued share capital of the Company will be held in the hands of the public.
- **Dealings in the Shares on GEM are expected to commence at 10:00 a.m. on Friday, 2nd March, 2001, subject to, among others, the delivery of a complete list of placees in compliance with the requirement of the GEM Listing Rule 10.12(5). If there is any change to the expected timetable, an announcement will be made on the GEM website at www.hkgem.com.**

Unless otherwise defined herein, the terms used in this announcement have the same meanings as defined in the prospectus dated 26th February, 2001 (the “Prospectus”) issued by the Company.

Level of Interest

The 130,456,000 Placing Shares were fully subscribed and have been conditionally allocated in full to professional, institutional and other investors. Inner City Profits Limited, a fellow subsidiary of the Company’s Co-Sponsor, Celestial Capital Limited, was interested in 20,000,000 Shares. Save as disclosed herein, to the best knowledge of the Sponsors and the Directors, no Placing Shares have been placed to any party or group of persons specified under Rule 10.12(4) of the GEM Listing Rules.

Pursuant to the Placing, 130,456,000 Placing Shares will be held by a total of 130 placees as follows:–

Number of Placing Shares	Number of placees
8,000 – 160,000	83
160,001 – 320,000	3
320,001 – 640,000	5
640,001 – 1,280,000	14
1,280,001 – 3,200,000	15
3,200,001 – 6,400,000	5
6,400,001 – 9,600,000	2
9,600,001 – 16,000,000	2
16,000,001 or above	1
Total	<u>130</u>

All placees are individual, professional and institutional investors, who are independent of and not connected with any of the directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or any of their respective associates.

Of the total of 130,456,000 Placing Shares, a total of 77,696,000 Shares have been conditionally allocated to the ten largest placees, representing approximately 59.56%, and approximately 11.91% of the total number of Placing Shares and the enlarged issued share capital of the Company immediately after the completion of the Capitalisation Issue and the Placing (without taking into account the Over-allotment Option) respectively.

Shareholders and potential investors should be aware that the high concentration of shareholders would affect the liquidity of the Shares. Accordingly, shareholders and potential investors are advised to exercise extreme caution when dealing in the Shares.

Over-allotment Option

The Company has granted to the Underwriters the Over-allotment Option, which is exercisable by Oriental Patron, for itself and on behalf of the Underwriters, at any time and from time to time during the period of 30 days from the date of the Prospectus dated 26th February, 2001 to require the Company to issue an aggregate of up to 19,560,000 additional Shares at the Placing Price. If the Over-allotment Option is exercised in part or in full, an announcement will be made.

Minimum Public Float Requirement

According to the GEM Listing Rules, the Company is required to maintain a public float of not less than 20% of its issued share capital at all times after the listing of the Company on GEM. Immediately following the the Capitalisation Issue and Placing (assuming that the Over-allotment Option is not exercised), approximately 23.3% of the enlarged issued share capital of the Company will be in public hands.

Deposit of Share Certificates into CCASS

Share certificates in respect of the Placing Shares will be issued in the name of HKSCC Nominees Limited and deposited into CCASS for credit to the respective CCASS participants' stock accounts of the placing agent. All new Shares are expected to be issued on 1st March, 2001.

Commencement of Dealings

Dealings in the Shares on GEM are expected to commence at 10:00 a.m. on Friday, 2nd March, 2001, subject to, among others, the delivery of a complete list of placees in compliance with the requirement of the GEM Listing Rule 10.12(5). If there are any changes to the expected timetable, an announcement will be made on the GEM website at www.hkgem.com.

By order of the Board
E-silkroad Holdings Limited
Choi Koon Ming
Chairman

Hong Kong, 27th February, 2001

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; 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 and a copy of the Prospectus will appear on the GEM website at www.hkgem.com.