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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares in MP Logistics International Holdings Limited.



MP LOGISTICS INTERNATIONAL HOLDINGS LIMITED

MP 物流國際控股有限公司*

(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 : 50,000,000 Shares

Offer Price : HK\$0.40 per Share

Nominal Value : HK\$0.01 each

Stock Code : 8239

Sponsor



KINGSTON CORPORATE FINANCE LIMITED

Lead Manager

Quest Stockbrokers (HK) Limited

Co-Lead Managers

CM-CCS Securities Limited

South China Securities Limited

Underwriters

CSC Securities (HK) Limited

Kingston Securities Limited

Sinomax Securities Limited

Summary

- Total applications of 56,875,000 Shares from potential investors have been received, representing approximately 1.14 times the 50,000,000 Placing Shares initially available in the Placing.
- The 50,000,000 Shares in the Placing have been allocated in full to a total of 106 placees.
- All the placees are independent of and not connected with any of the directors, chief executive, management shareholders, substantial shareholders of the Company or any of their respective associates.
- Dealings in the Shares of the Company on GEM are expected to commence at 15 November 2002.

This announcement is further to the formal notice of MP Logistics International Holdings Limited (the “Company”) dated 31 October 2002. Unless otherwise defined herein, the terms used in this announcement shall have the same meanings as in the prospectus of the Company dated 31 October 2002.

LEVEL OF INTEREST

Total applications of 56,875,000 Shares from potential investors have been received by the Underwriters.

The 50,000,000 Placing Shares were approximately 1.14 times subscribed and have been conditionally allocated to professional, institutional and other investors.

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

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, the 50,000,000 Shares have been conditionally allocated to a total of 106 places. The following table sets out the distribution of the Placing Shares:

	Aggregate number of Placing Shares held	Approximate percentage of the Placing Shares	Approximate percentage of shareholding immediately following the Capitalisation Issue and the Placing
Top placee	9,500,000	19.00%	3.17%
Top 5 placees	39,570,000	79.14%	13.19%
Top 10 placees	46,220,000	92.44%	15.41%
Top 25 placees	49,300,000	98.60%	16.43%

The allocation of 50,000,000 Shares to a total of 106 places is as follows:

Number of Placing Shares	Number of Places
5,000 to 20,000	80
20,001 to 50,000	4
50,001 to 100,000	1
100,001 to 200,000	5
200,001 to 500,000	6
500,001 to 1,000,000	3
1,000,001 to 2,000,000	2
2,000,001 to 3,000,000	0
3,000,001 to 10,000,000	5
10,000,001 or above	<u>0</u>
Total:	<u><u>106</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, the shareholders and potential investors of the Shares are advised to exercise extreme caution in dealing in the 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 and the Capitalisation Issue
Best Method	89.2%	74.33%
Pre-IPO Investors	10.8%	9.00%
Placees	—	16.67%
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 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 25 per cent. of its enlarged issued Share capital. As at the date of this announcement, there is no option granted under the Share Option Scheme. The Directors have confirmed that no option would be granted prior to listing of the Shares under the Share Option Scheme.

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 7 November 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 9:30 a.m. on Friday, 15 November 2002.

By order of the Board of
MP LOGISTICS INTERNATIONAL HOLDINGS LIMITED
Wong Kwong Kwok
Chairman

Hong Kong, 7 November 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 and on the Company website at www.marinepower.org.

** for identification purposes only*