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(Incorporated in the Cayman Islands with limited liability)

APPOINTMENT OF THE REPLACEMENT SPONSOR OF THE COMPANY, APPOINTMENT OF PROVISIONAL LIQUIDATORS FOR INFOSERVE TECHNOLOGY HONG KONG LIMITED AND AN OUTSTANDING LEGAL PROCEEDING

On 16th January, 2004, the Company appointed Hantec Capital Limited ("Hantec") as the replacement sponsor of the Company for the period from 16th January, 2004 to 31st December, 2004.

On 13th January, 2004, the Company was informed by the former company secretary of Infoserve HK that the Official Receiver of Infoserve HK has appointed Ms. Fenn Kar Bak, Lily and Mr. Tse To Chuen as the Joint and Several Provisional Liquidators of Infoserve HK under the winding-up order on 7th January, 2004.

On 2nd January, 2004, the Company was served a writ of summons by the Legal Practitioner regarding the outstanding amount of HK\$197,697.50 on the legal services provided by the Legal Practitioner to the Company during the year 2002 and 2003.

Trading in the Shares has been suspended since 4th November, 2003 and will remain suspended until further notice.

Reference is made to the announcement of the Company dated 8th January, 2004 (the "Announcement"). Unless otherwise defined, terms used herein shall have the same meanings as those adopted in the Announcement.

The board of directors of the Company announces that Hantec has been appointed as the replacement sponsor of the Company on 16th January, 2004 for the period from 16th January, 2004 to 31st December, 2004.

Infoserve HK, a wholly-owned subsidiary of the Company, was on 7th January, 2004 ordered by the High Court of Hong Kong to be wound up. On 13th January, 2004, the Company Secretary of the Company, also the former company secretary of Infoserve HK, informed the Company that he has received a letter from the Official Receiver of Infoserve HK (the "Official

* For identification purpose only

Receiver") that the Official Receiver appointed Ms. Fenn Kar Bak, Lily and Mr. Tse To Chuen as the Joint and Several Provisional Liquidators under the Winding-up Order on 7th January 2004.

The principal activity of Infoserve HK is the provision of communication, Internet, virtual private network and solution services. As disclosed in the Circular dated 11th December, 2003, the operation of Infoserve HK has been suspended on or about 14th November, 2003 due to non-payment of costs to network services providers in Hong Kong and China. As disclosed in the Announcement, the turnover of Infoserve HK accounted for approximately 3% of the Group's total revenue for the year ended 31st December, 2002 and Infoserve HK recorded unaudited net liabilities of approximately HK\$49.58 million as at 30th September, 2003. The Directors consider that the winding-up of Infoserve HK would have no material impact on the financial and operating position of the Group.

On 2nd January, 2004, the Company was served a writ of summons by a legal practitioner ("Legal Practitioner") regarding the outstanding amount of HK\$197,697.50 on the legal services provided by the Legal Practitioner to the Company during the year 2002 and 2003. Upon receiving the letter, the Company has taken immediate responses and has reached an agreement on the settlement of the amount.

Further announcement will be made by the Company as and when required under the GEM Listing Rules. Trading in the Shares has been suspended since 4th November, 2003 and will remain suspended until further notice.

By the order of the Board Infoserve Technology Corp. Yu Shu Kuen Chairman

Hong Kong, 21st January, 2004

This announcement, for which the directors of Infoserve Technology Corp. 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 Infoserve Technology Corp. The directors, 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.

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