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LOULAN HOLDINGS LIMITED

樓 蘭 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8039)

RESIGNATION OF QUALIFIED ACCOUNTANT, COMPANY SECRETARY AND AUTHORISED REPRESENTATIVE AND OUTSTANDING APPOINTMENTS AND THE DEVELOPMENT OF POSSIBLE DISPOSAL TRANSACTIONS AND RESUMPTION OF TRADING

The Board announces that Mr. Siew Chun Fai, Edward has resigned as qualified accountant, company secretary and authorised representative of the Company with effect from 1 June 2004.

The Company is in the process of negotiation with an independent third party in respect of a possible disposal of part of the shares in a non-wholly owned subsidiary of the Company. The terms of the negotiation have not been finalised.

At the Company's request, the trading in the shares of the Company was suspended with effect from 9:33 a.m. on Monday, 24 May 2004 pending publication of this announcement, the information of which the Directors consider price sensitive because the transactions, if concluded will constitute a possible disposal of part of the shares in a non-wholly owned subsidiary of the Company and a possible disposal of the Company's shares by the controlling shareholder. Application has been to the Stock Exchange for resumption of trading in shares of the Company with effect from 9:30 a.m. on Tuesday, 8 June 2004.

The directors (the "Directors") of Loulan Holdings Limited (the "Company") would like to announce that Mr. Siew Chun Fai, Edward ("Mr. Siew"), who was appointed as the qualified accountant, company secretary and the authorised representative of the Company on 4 February 2004, has resigned his above three positions with effect from 1 June 2004 for his own career development. The Board and Mr. Siew confirmed that they are not aware of any matters in relation to Mr. Siew's resignation that need to be brought to the attention of the shareholders of the Company.

The board of the Directors (the "Board") would like to take this opportunity to thank Mr. Siew for his past contribution to the Company. At present, the Company has not yet identified any suitable candidates for the positions of the Company's qualified accountant, company secretary and authorised representative and is actively considering applications for the three positions.

The Directors expect that the appointments will be finalised within one month from the date of this announcement. According to rules 5.14, 5.15 and 5.24 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “GEM Listing Rules”), the Company must at all times retain a qualified accountant, a company secretary and two authorised representatives. Given the fact that there are no company secretary and qualified accountant and only one authorised representative for the time being, the Company is not in compliance with rules 5.14, 5.15 and 5.24 of the GEM Listing Rules. The Stock Exchange reserves the right to take appropriate actions in this regard.

Mr. Woo Hang Lung (“Mr. Woo”), an executive Director, will take up the responsibilities of Mr. Siew with the assistance of staff in Hong Kong office until appointments of new qualified accountant, company secretary and authorised representative.

The Board do not expect that the resignation of Mr. Siew would have any negative impact on the Group in any material aspects.

Further announcement will be made by the Company with regard to the new appointments in due course.

The Board of the Company refers to the suspension of trading for a price sensitive information dated 24 May 2004. The Company and an independent third party, who and its ultimate beneficial owners are not connected persons (as defined in the GEM Listing Rules) of the Company and is not the same party the Company negotiated as stipulated in the announcement dated 20 May 2004, is in the process of negotiation in respect of a possible disposal of part of the shares in a non-wholly owned subsidiary of the Company. The Board of the Company anticipated that the terms of negotiation would be finalized on 24 May 2004 during the trading hour and requested the Stock Exchange of Hong Kong Limited to suspend the trading of the Company’s shares on the same date. However, the terms of the negotiation have not been finalized because the consideration amount cannot be agreed. The Board of the Company also confirms that the Company have not entered into/signed any legal binding agreement and/or letter of intent. **As the proposed transaction may/may not proceed, shareholders are advised to exercise caution when dealing in shares of the Company.** A further announcement will be made should there be any significant development of the negotiation as and when appropriate. If the Company can successfully enter the aforesaid proposed transaction, it will constitute a major transaction (as defined in the GEM Listing Rules). Mr. Siew has advised the Stock Exchange that there might also be a possible disposal of the Company’s shares by Mr. Woo, the controlling shareholder of the Company on 24 May 2004. Such representation turned out to be a mis-communication between Mr. Woo and Mr. Siew and Mr. Woo has never conducted any negotiation regarding the possible disposal of the Company’s shares held by Mr. Woo.

Save as disclosed above, the Board of the Company also confirms that there are no negotiations or agreements relating to the intended acquisitions or realizations of which are disclosable under Chapters 19 to 20 of the GEM Listing Rules. The Board of the Company is not aware of any matter disclosable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

Trading in the shares of the Company was suspended with effect from 9:33 a.m. on Monday, 24 May 2004 at the request of the Company pending the publication of price sensitive information. Application has been made to the Stock Exchange for the resumption of trading of shares in the Company on the Stock Exchange with effect from 9:30 a.m. on Tuesday, 8 June 2004.

By order of the Board
Loulan Holdings Limited
Woo Hang Lung
Chairman

The Board comprises of:

Woo Hang Lung (*Executive director*)
Zhu Zheng Ming (*Executive director*)
Junichi Goto (*Non-executive director*)
Lo Chi Man (*Independent non-executive director*)
Lau Chi Sun, Robbie (*Independent non-executive director*)

Hong Kong, 7 June 2004

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for 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: (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 <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the date of its publication.