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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)

ANNOUNCEMENT

Loulan Holdings Limited makes this announcement for the clarification of the Press Article.

This announcement is made by Loulan Holdings Limited (the “Company”) in respect of a press article appeared in Hong Kong Economic Times (the “Press Articles”) on 12 July 2004 in respect of the appointment of provisional liquidator of TKR Finance Limited (the “TKR Finance”). It was mentioned in the Press Article that TKR Finance has a security interest of 63.8% of the issued share capital of REXCAPITAL Financial Holdings Limited (the “REXCAPITAL”).

Mr. Woo Hang Lung (the “Mr. Woo”), executive director and the controlling shareholder of the Company has pledged his 163,125,000 shares or 40.78% of the issued share capital (the “Pledged Shares”) of the Company to REXCAPITAL. The beneficial ownership of Pledged Shares belongs to Mr. Woo.

The board of directors of the Company (the “Board”) has received the copy of formal written winding-up order from the provisional liquidator of TKR Finance, TKR Finance be put into liquidation by the High Court of Hong Kong on 21 July 2004. The Board is currently not aware of any impact of the winding-up order on the operations and management of the Company (including the possible change of control and the beneficiary owner of the Pledged Shares) as at date of this announcement. The Company has enquired the provisional liquidator of TKR Finance on the possible consequence of REXCAPITAL in the liquidation process and was given to understand that the liquidation process has just commenced and within three months from the date on which TKR Finance was put into liquidation by the High Court (being 21 July 2004), creditors of TKR Finance would be gathered and meet to appoint the liquidator to continue the liquidation process. No further information has been provided to the Company up to the date of this announcement as the winding-up is still in progress. The Board shall continue to conduct enquires with Mr. Woo and the provisional liquidator of TKR Finance on the status of the Pledged Shares and the progress of the liquidation of TKR

Finance. As soon as further information becomes available, the Company will make appropriate announcement as and when necessary in compliance with the GEM Listing Rules.

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, 6 August 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.