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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 INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE MEMBERS

The board of directors (the “Board”) of Loulan Holdings Limited (the “Company”) hereby announces that Mr. Lau Chi Sun, Robbie (劉志新) and Mr. Yue Kwai Wa, Ken (余季華) have resigned as the independent non-executive directors and audit committee members of the Company with effect from 31 January 2006 due to personal reasons.

As request by the Company, trading in the shares of the Company in the Stock Exchange of Hong Kong Limited was suspended since 9:30am on 27 January 2005 pending the release of an announcement in relation to price sensitive information. Trading in the shares of the Company in the Stock Exchange of Hong Kong Limited remain suspended.

The board of directors (the “Board”) of Loulan Holdings Limited (the “Company”) hereby announce that Mr. Lau Chi Sun (劉志新) (Mr. Lau) and Mr. Yue Kwai Wa, Ken (余季華) (Mr. Yue) have resigned with effect from 31 January 2006 as independent non-executive directors and audit committee members of the Company due to personal reasons. Mr. Lau and Mr. Yue have confirmed that they have no disagreement with the Board and they are not aware of any other matters which need to be brought to the attention to the shareholders of the Company in respect of the said resignation. The Board would like to take this opportunity to thank Mr. Lau and Mr. Yue for their contribution during their terms of service of the Company.

Rule 5.05 of the Growth Enterprise Market required that every board of directors of an issuer must include at least 3 independent non-executive directors and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise; Rule 5.28 required that every issuer must establish an audit committee comprising non-executive directors only. The audit committee must comprise a minimum of 3 members, at least one of whom is an independent non-executive director with appropriate professional qualifications as required in Rule 5.05. The resignation of Mr. Lau and Mr. Yue will lead the Company failing to meet such requirements. The Company will appoint new independent non-executive directors and audit committee members within 3 month, in complying with listing Rules of 5.05, 5.06, 5.28 and 5.33 of the Growth Enterprise Market.

As request by the Company, trading in the shares of the Company in the Stock Exchange of Hong Kong Limited was suspended since 9:30am on 27 January 2005 pending the release of an announcement in relation to price sensitive information. Trading in the shares of the Company in the Stock Exchange of Hong Kong Limited remain suspended.

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

The Board comprises of:

Woo Hang Lung (*Executive director*)
Junichi Goto (*Non-executive director*)
Wang Desheng (*Independent non-executive director*)

Hong Kong, 6 February 2006

This announcement, for which the directors of the Company (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:– (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 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.