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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)

**DELAY IN PUBLICATION OF ANNUAL RESULTS AND
DESPATCH OF ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005**

The Board announces that there will be a delay in the release and publication of the 2005 Annual Results and the dispatch of the 2005 Annual Report. Further announcement would be made when the annual results and annual report is ready to be dispatched.

As requested 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 profit warning, missing of an executive director and a subsidiary's operation under banker's imposed condition, all reflected in 2004 annual report issued on 30 June 2005. Trading in the shares of the Company in the Stock Exchange of Hong Kong Limited remains suspended pending outstanding issues included but not limited to Rule 17.26 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited.

The Board of Loulan Holdings Limited (the Company) announces that, due to the audit fees and payment terms has not yet agreed with Wong Brothers & Co., the auditor, the auditing of the financial result of the Company for the year end 31 December 2005 has not yet commenced. As a result, there will be a delay in the release and publication of the Company's annual results (the "2005 Annual Results") and the dispatch of its annual report (the 2005 "Annual Report") for the year ended 31 December 2005. Pursuant to Rules 18.03, 18.48A and 18.49 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"), the Company is required to dispatch its annual report to shareholders, publish and announce on the GEM website its annual results not later than three months after the date upon which the financial period ended, i.e. 31 March 2006. The delay constitutes a breach of Rules 18.03, 18.48A and 18.49 of the GEM Listing Rules.

Negotiation between the Company and Wong Brothers & Co. for the matter was from the beginning of February 2006. Issues are the amount and payment terms. The Company and Wong Brothers & Co. now agree that the amount would be the same as of year 2004, however,

Wong Brothers does not agree to bill and receive its payment in RMB from the Company's Mainland subsidiary, Xinjiang Loulan Wine Co. Ltd (Xinjiang Loulan) directly.

Reason for the Company to require its auditor to bill and receive audit fees from the Company's Mainland subsidiary is that the audit mainly conducted in the Mainland, according to the taxation regulation of the PRC, such expenses can be deducted for income tax purpose. In addition, the operation of the Company's main subsidiary, Xinjiang Loulan is now under The Agricultural Bank's supervision, due to the lost of lawsuit between Xinjiang Loulan and The Agricultural Bank (details please refer to 2004 Annual Report, notes to financial statement 27). It is hence impossible for the Company to obtain any funds from Xinjiang Loulan without the bank's permit. The Company at present is a holding company and does not produce any income itself, it has no available funds to pay the audit fees to the auditor, unless the auditor is willing to bill and receive the audit fees from Xinjiang Loulan direct. In such a circumstance, the release of audited result of the Company for the year end 2005 has to be postponed.

We understand that the Company should be primarily responsible for the audit of the Company rather the auditors, and it can hardly expect any accounting firms in Hong Kong accept payment in the PRC. Therefore, the Company is trying its best to have a judicial review on the litigation between Xinjiang Loulan and the Agricultural Bank and apply to remove the Agricultural Bank's control over Xinjiang Loulan. On 10 March 2006, The Trade and Economic Committee of Xinjiang local government had given an official reply in favor of Xinjiang Loulan regarding to the litigation between Xinjiang Loulan and the Agricultural Bank, confirm that Xinjiang has the right to benefit from relevant preferential policy issued by the Xinjiang local government, i.e. waiving of interest etc. However, as the review takes times and is beyond the control of the Company, the Company is not in a position to predict when the bank will remove its control over Xinjiang Loulan's funds transitions, as well as the date of publishing its audited annual results and dispatching its annual report. Further announcement would be made when the annual results and annual report is ready to be dispatched.

The delay constitutes a breach of Rules 18.03, 18.48A and 18.49 of the GEM Listing Rules. In this regard, the Stock Exchange reserves its rights to take appropriate actions against the Company in respect of such breach.

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

Hong Kong, 30 March 2006

The Board comprises of:

Woo Hang Lung (*Executive director*)

Wang Desheng (*Independent non-executive director*)

This announcement, for which the directors of the Company 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 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 “Latest Company Announcements” page GEM website at <http://www.hkgem.com> for at least 7 days from the date of its publication.