

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



LOULAN HOLDINGS LIMITED

樓蘭控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8039)

PUBLIC AUCTION OF WHOLE ASSET OF XINJIANG LOULAN WINERY LIMITED

The board of directors (the “Board”) of Loulan Holdings Limited (the “Company”) hereby announces that the whole asset of Xinjiang Loulan Winery Limited, a major subsidiary of the Company, will be public auction on 12 October 2006 by the order of the High People’s Court of Xinjiang province.

As request by the Company, trading in the shares of the Company in the Stock Exchange of Hong Kong Limited was suspended since 9:30 am 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 announces that the whole assets of Xinjiang Loulan Winery Limited, a major subsidiary of the Company, will be public auction on 12 October 2006 by the order of the High People’s Court of Xinjiang province, (2005) New Execution Number 47-5 issued on 11 September 2006. Whole asset means land use rights, property rights, trademark, vehicle, machinery, plant, raw material, inventory and office facilities. The base price for the whole asset will be RMB33,249,209.

The whole asset was pledged to the Agricultural Bank of China, Xinjiang Shanshan branch in the loan transfer agreement in 1997. As Xinjiang Loulan Winery Limited unable to repay the loan and lost its lawsuit against the bank, the bank is now seeking a public auction of the pledged assets and is warranted by the court. The public auction is not a corporate action of the Company and out of the control of the Company. This announcement is made in according to Rule 17.27(b) of the listing rule of the GEM Listing Rules.

Last audited annual report is for year ended 31 December 2004. As according to the audited consolidate financial statement, total assets of the group was RMB107,708,000, net liabilities was RMB8,592,000. In which Xinjiang Loulan Winery Limited contributed total assets of RMB78,415,000 and net liabilities of RMB22,881,000, representing 73% and 266% of the total assets and total liabilities of the group respectively. The public auction will have a very big impact on the financial condition as well as the operation of the Company.

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*)

Wang Desheng (*Independent non-executive director*)

Hong Kong, 29 September 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.