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CHINA SPECIALISED FIBRE HOLDINGS LIMITED

中國特種纖維控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 285)

**WINDING UP PETITION AGAINST THE COMPANY AND
ITS SUBSIDIARIES
AND
DELAY IN PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND DISPATCH OF
ANNUAL REPORT FOR THE YEAR ENDED
31ST DECEMBER, 2003**

China Specialised Fibre Holdings Limited (the “Company”) confirms there is a winding up petition filed by Pacific Finance (Hong Kong) Limited (“Pacific Finance”) against the Company and two of its subsidiaries.

The publication of annual results announcement of the Company for the year ended 31st December, 2003 (the “Annual Results Announcement”) was delayed to a date falling on or before 30th July, 2004.

The dispatch of the annual report of the Company for the year ended 31st December, 2003 (the “Annual Report”) to its shareholders was delayed to a date falling on or before 13th August, 2004.

Referring to recent press articles regarding a winding up petition against the Company, the directors of the Company hereby confirm there is a winding up petition filed by Pacific Finance (Hong Kong) Limited (“Pacific Finance”) against the Company and two of its subsidiaries. In response to the petition, a finance meeting was held between the Company and Pacific Finance on 2nd June, 2004 to discuss the debt arrangements of the Company, but up to now, no agreement has been made in relation thereto.

Further, the directors of the Company announce that there was a delay in publication of the audited results of the Company and its subsidiaries for the year ended 31st December, 2003 to a date falling on or before 30th July, 2004. The dispatch of the Annual Report to the shareholders of the Company was also postponed to a date falling on or before 13th August, 2004. The reason of such delay is mainly due to the change in the management of the Company, the new management of the Company needs to take more time for handling over the affairs of the Company.

The Board acknowledges that the delay in publication of the Annual Results Announcement and the Annual Report constitute breaches of paragraphs 13.46(2) and 13.49 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Stock Exchange reserves its rights to take appropriate actions against the Company and/or its directors in respect of such breaches.

The directors also acknowledge that there is only one independent non-executive director currently on the Board which is not complying with the 3.10 of the Rules Governing the Listing of Securities on the Stock Exchange. The Board will make additional appointment as soon as practical.

Except for the transaction of Gigalink Group Limited in disposing an interest in the share capital of the Company to Gangsu San Zhou Industrial Holdings Limited for which the details have been fully disclosed on 17th April 2003, 27th May, 2003 and 15th July, 2003, the directors of the Company have respectively confirmed that they have not dealt in any securities of the Company since 27th November, 2002 and all directors of the Company have also undertaken not to deal in any securities of the Company until the publication of the Annual Results Announcement and the dispatch of the Annual Report.

At the request of the Company, trading in the securities of the Company has been suspended with effect from 2:30 p.m. on Tuesday, 26th November, 2002 and will remain suspended pending the release of the price sensitive information.

The Company will make further announcements on the progress of the above matters.

By order of the Board
China Specialised Fibre Holdings Limited
Cai Chao
Chairman

The Board as of the date of this announcement comprises Mr. Chen Shunli, Mr. Chen Guoli, Mr. Cai Chao, Mr. Lin Xinghe, Mr. Fan Li and Mr. He Hongzhang, who are the executive directors of the Company, Mr. Weng Wen Yuan, Mr. Nan Min and Mr. Zhang Renfu, who are the non-executive directors of the Company and Mr. Tang Hong Sheng, who is the independent non-executive director of the Company.

Hong Kong, 8th June, 2004

* *For identification purposes only*

Please also refer to the published version of this announcement in the China Daily.