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HAYWOOD INVESTMENTS LIMITED

(Incorporated in the Cayman Islands with limited liability)

CANCELLATION OF THE SALE AND PURCHASE OF THE SHARE CAPITAL OF A CORPORATE SUBSTANTIAL SHAREHOLDER

The board of directors of the Company announces that Mr. Lam Andy Siu Wing, the sole owner of Fortuna Alliance Limited which is a substantial shareholder of the Company holding approximately 20.83% of the issued share capital of the Company, has informed the Company that Mr. Tai has not completed the transaction on the agreed extended due date of 31 December 2002. Accordingly, the transaction is cancelled. A cancellation agreement was entered between Mr. Lam and Mr. Tai on 8 January 2003.

Reference is made to the Company's press announcement dated 11 December 2001 (the "Announcement") and its subsequent announcements dated 28 June 2002 and 3 October 2002. Capitalised terms used herein, unless otherwise defined, have the same meanings as defined in the Announcement.

On 11 December 2001, Mr. Lam Andy Siu Wing ("Mr. Lam"), the sole owner of Fortuna Alliance Limited which is a substantial shareholder of the Company currently holding approximately 20.83% of the issued share capital of the Company, entered into an agreement, to sell the Sale Share and Sale Loan to Mr. Tai Ah Lam, Michael ("Mr. Tai"). Pursuant to the supplemental agreements dated 28 June 2002 and 2 October 2002, the completion of which was extended to take place on or before 31 December 2002.

Mr. Lam has informed the Company that Mr. Tai has not completed the transaction on the agreed extended due date of 31 December 2002. Accordingly, the transaction is cancelled. A cancellation agreement was entered between Mr. Lam and Mr. Tai on 8 January 2003.

Haywood Investments Limited

Mr. Lam, the sole owner of Fortuna Alliance Limited, will remain as a substantial shareholder of the Company, holding approximately 20.83% after the cancellation agreement was entered.

By Order of the Board
Haywood Investments Limited
Wong Fong Kim
Chairman

Hong Kong, 8 January 2003

Please also refer to the published version of this announcement in The Standard dated on 09-01-2003.