

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.



國 潤 控 股 有 限 公 司*

GUORUN HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liabilities)

CHANGE OF SHAREHOLDINGS IN THE CONTROLLING SHAREHOLDER OF THE COMPANY

The board of directors of Guorun Holdings Limited announces that there is a change in the shareholdings of the controlling shareholder of the Company, Proper Glory Holdings Inc. Proper Glory Holdings Inc. is a private company incorporated in the British Virgin Islands and the controlling shareholder of the Company and currently holds 60.68% of the existing issued share capital of the Company.

The board of directors (the “Board”) of Guorun Holdings Limited (the “Company”) was informed by Proper Glory Holdings Inc. (“Proper Glory”) on 10:00 a.m., 5 January, 2004 that Mr. Wong Hing Kwok and Venture Link Assets Limited respectively sold 15% and 17% interests in the issued share capital of Proper Glory to Sapient Group Limited on the same date (the “Transactions”). Proper Glory is a private company incorporated in the British Virgin Islands and the controlling shareholder of the Company and currently holds 60.68% of the existing issued share capital of the Company. The Transactions were completed at 5:00 p.m., 5 January, 2004. After the Transactions, the issued share capital of Proper Glory is beneficially owned as to 32% by Sapient Group Limited, as to 32% by Mr. He Xuechu, as to 28% by Fortune Door Investment Limited and as to 8% by Venture Link Assets Limited. Sapient Group Limited is a private company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Li Shu Fu. Mr. Li Shu Fu is the sole director of Sapient Group Limited. There is no board representation by Sapient Group Limited on both the board of directors of Proper Glory and the Board before and after the Transactions. Mr. Li Shu Fu is also a founder and the chairman of Geely Holding Limited.

Venture Link Assets Limited is a private company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Zhou Teng. Fortune Door Investment Limited is a private company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Ku Wai Kwan.

It is confirmed by the shareholders of Proper Glory that Mr. Li Shu Fu is not acting in concert with the other shareholders of Proper Glory and/or their respective ultimate beneficial owners.

The following table summaries the changes in shareholdings of Proper Glory before and after the transactions:

Shareholders	Before the Transactions	After the Transactions
He Xuechu	32%	32%
Fortune Door Investment Limited	28%	28%
Venture Link Assets Limited	25%	8%
Wong Hing Kwok	15%	0%
Sapient Group Limited	0%	32%
Total	100%	100%

By Order of the Board of
Guorun Holdings Limited
He Xuechu
Chairman

Hong Kong, 5 January, 2004

* *for identification only*

“Please also refer to the published version of this announcement in The Standard”