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WellNet Holdings Limited

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

On 7th February, 2002, WellNet Holdings Limited has entered into two memoranda of understanding with the Yunnan Flower Association (雲南省花卉產業聯合會) and the Department of Agriculture of the Yunnan Province (雲南省農業廳), respectively, in connection with the parties' intention to cooperate in the business development and marketing of flowers and agricultural products in Yunnan Province, the PRC.

The terms of the Cooperation are not yet finalised and the Cooperation contemplated may or may not proceed. Further particulars of the terms of the definitive agreements will be released as and when necessary. Investors are advised to exercise caution when dealing in the shares of WellNet Holdings Limited.

The directors ("Directors") of WellNet Holdings Limited ("WellNet") wish to announce that on 7th February, 2002, WellNet has entered into two memoranda of understanding (the "Memoranda") with the Yunnan Flower Association (雲南省花卉產業聯合會) and the Department of Agriculture of the Yunnan Province (雲南省農業廳), respectively. Both of the Yunnan Flower Association and the Department of Agriculture of the Yunnan Province are independent parties not connected with any of the directors, chief executives and substantial shareholders of WellNet or any of its subsidiaries or any associate of any of them. Under the Memoranda, the parties indicate their intention to establish business cooperation. The parties intend to set up two joint ventures companies in the Yunnan Province, the People's Republic of China ("PRC") to develop the businesses relating to flowers and agricultural products in Yunnan Province, the PRC (the "Cooperation").

WellNet is principally engaged in metal trading, manufacturing of metal products, operation of exchange portals and property development and investment. In addition to the existing well-established businesses, it is the corporate strategy of WellNet to enhance further long term growth of the company. In light of the opportunities brought about by the accession of China into the World Trade Organisation and the development of the Northwest of the PRC, there is potential for WellNet to take up new business opportunities in the PRC. The Directors expect that the Cooperation will represent a strategic investment opportunity for WellNet, broaden its income base in the long run and bring economic benefits to the group.

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By order of the Board
WellNet Holdings Limited
Ng Lai Ping, Grace
Company Secretary