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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)

## DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS AND DESPATCH OF ANNUAL REPORT

As stated in the Previous Announcements, the unaudited Annual Results of the Group for the year ended 31 December 2002 are set out in this announcement. The timing of announcement of audited Annual Results and despatch of the Annual Report will be postponed to a date to be further announced.

The Board acknowledges that the delay in publication of the unaudited and audited Annual Results and the despatch of the Annual Report of the Company for the financial year ended 31 December 2002 constitute breaches of paragraphs 11(1), 11(3)(i)(c) and 8(1) of the Listing Agreement of the Company respectively. The Stock Exchange reserves its rights to take appropriate actions against the Company and/or its directors in respect of such breaches.

Shareholders and investors should note that there may be significant differences between the profit attributable to shareholders in the unaudited Annual Results set out in this announcement and those in the audited Annual Results. In the event that the audited Annual Results differ materially from the unaudited Annual Results set out in this announcement, full particulars of, and the reasons for, the differences will be set out in the announcement of the audited Annual Results.

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, 26 November 2002 and will remain temporarily suspended pending the release of the announcement in relation to the change in the shareholding structure of the Company.

Reference is made to the announcements of China Specialised Fibre Holdings Limited (the "Company") dated 27 May 2003 and 15 July 2003 ("Previous Announcements"), inter alia, in relation to delay in publication of the announcement of annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2002 ("Annual Results") and despatch of annual report of the Company for the year ended 31 December 2002 ("Annual Report").

The reasons for the delay in publication of the unaudited and audited Annual Results and the despatch of the Annual Report are fully explained in the Previous Announcements.

As stated in the Previous Announcements, the timing of announcement of audited Annual Results and despatch of the Annual Report will be postponed to a date to be further announced.

The board of directors of the Company (the "Board") announces that the unaudited Annual Results of the Group for the year ended 31 December 2002 is as follows:

### UNAUDITED CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2002

	Unaudited Year ended 31 December 2002 RMB'000	Audited Year ended 31 December 2001 RMB'000
Turnover		
Continuing operations	869,721	622,516
Discontinued operations	0	33,340
	869,721	655,856
Cost of sales	(675,113)	(437,400)
Gross profit	194,608	218,456
Selling and distribution expenses	(1,441)	(1,837)
General and administrative expenses	(108,984)	(48,196)
Impairment of goodwill	—	(2,403)
Other income	3,441	2,704
Operating profit		
Continuing operations	87,624	164,212
Discontinued operations	0	4,512
	87,624	168,724
Finance costs, net	(26,330)	(25,066)
Gain on disposal of discontinued operations	0	23,710
Profit before taxation	61,294	167,368
Taxation	(18,161)	(23,951)
Profit after taxation	43,133	143,417
Minority interests	15,772	263
Profit attributable to shareholders	58,905	143,680
Earnings per share — Basic	RMB0.03	RMB0.08

The calculation of basic earnings per share for the year ended 31 December 2002 is based on the profit attributable to shareholders of approximately RMB58,905,000 (2001: RMB143,680,000) and 1,860,000,000 (2001: 1,860,000,000) ordinary shares in issue during the year.

Shareholders and investors should note that there may be significant differences between the profit attributable to shareholders in the unaudited Annual Results set out in this announcement and those in the audited Annual Results. In the event that the audited Annual Results differ materially from the unaudited Annual Results set out in this announcement, full particulars of, and the reasons for, the differences will be set out in the announcement of the audited Annual Results.

The Board acknowledges that the delay in publication of the unaudited and audited Annual Results and despatch of the Annual Report constitute breaches of paragraphs 11(1), 11(3)(i)(c) and 8(1) of the Listing Agreement by the Company respectively. The Stock Exchange of Hong Kong Limited (the "Stock Exchange") reserves its rights to take appropriate actions against the Company and/or its directors in respect of such breaches.

Except for the transaction of GigaLink Group Limited ("GigaLink"), the substantial shareholder of the Company, in disposing an interest in the share capital of the Company to Gangsu San Zhou Industrial Holdings Limited (「甘肅三洲實業集團有限公司」) for which the details have been fully disclosed in the Company's announcements dated 17 April 2003, 27 May 2003 and 15 July 2003, the directors of the Company have confirmed that they and their respective associates have not dealt in any securities of the Company since 27 November 2002 and have undertaken to the Stock Exchange that they and their respective associates will not deal in the securities of the Company until the audited Annual Results and the Annual Report of the Company are published/despatched. Mr. Chen Shunli ("Mr. Chen"), chairman and chief executive officer of the Company, currently holds the 100% interest in the share capital of GigaLink and is also the sole director of GigaLink. In respect of the above-mentioned disposal, it constitutes a breach of the appendix 10 "Model Code for Securities Transactions by Directors of Listed Companies" of the Rules Governing the Listing of Securities on the Stock Exchange. The Stock Exchange reserves its rights to take appropriate actions against Mr. Chen.

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, 26 November 2002 and will remain temporarily suspended pending the release of the announcement in relation to the change in the shareholding structure of the Company.

By order of the Board  
China Specialised Fibre Holdings Limited  
Chen Shunli  
Chairman and Chief Executive Officer

Guangzhou, 21 July 2003

\* for identification purpose only