

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.



HESHUN SPECIALISED FIBRE HOLDINGS LIMITED

和順特種纖維控股有限公司*

(Incorporated in Bermuda with limited liability)

CLARIFICATION ANNOUNCEMENT

The Company intends to make this announcement to clarify a newspaper article that was published in the Oriental Daily News on 7th February, 2002, which reported, inter alia, that

- 1) Mr. CHEN Shunli had redeemed all the remaining shares of the Company which were charged by a company that he was beneficially interested, Gigalink Group Limited, as mortgagor, to Top New Finance Limited as mortgagee;
- 2) after the redemption as referred to in item 1), Mr. CHEN Shunli had arranged Gigalink Group Limited to charge all the shares of the Company (which were originally charged to Top New Finance Limited) to Mr. WU Kezhong instead; and
- 3) Mr. WU Kezhong was a member of the Board of the Company.

The Board considers that the article contains inaccurate information and would clarify by means of this announcement.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

Heshun Specialised Fibre Holdings Limited (the "Company") intends to clarify a newspaper article (the "Article") in the Oriental Daily News on 7th February, 2002 in relation to i) redemption by Mr. CHEN Shunli of all remaining shares charged by a company that he is beneficially interested, Gigalink Group Limited, to Top New Finance Limited, ii) arrangement by Mr. CHEN Shunli with Gigalink Group Limited to charge all the shares (which were originally charged to Top New Finance Limited) to Mr. WU Kezhong instead and iii) Mr. WU Kezhong being a member of the board of directors (the "Board") of the Company. The Board considers that the Article contains inaccurate information and would like to confirm and clarify as follows:-

- i) Mr. CHEN Shunli had not redeemed any shares of the Company which is being charged by Gigalink Group Limited to Top New Finance Limited subsequent to the last redemption on or about 20th October, 2001 as stated in the Company's announcement dated 10th January, 2002 regarding, inter alia, the concentration of public float. As at the date of this announcement, there remains a total of 1,153,000,000 shares of the Company charged by Gigalink Group Limited to Top New Finance Limited;
- ii) Mr. CHEN Shunli had not arranged with Gigalink Group Limited to charge any shares of the Company to Mr. WU Kezhong; and
- iii) Mr. WU Kezhong has not been a member of the Board of the Company. He has been in fact appointed as vice president of the Company since 6th December, 2001 and he is now still vice president of the Company.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Heshun Specialised Fibre Holdings Limited
Chen Shunli
Chairman

Hong Kong, 8th February, 2002

* for the purpose of identification only