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SUNLORD CHEMICAL GROUP LIMITED

東君化工集團有限公司\*

(incorporated in the Cayman Islands with limited liability)

## ANNOUNCEMENT

The Directors wish to announce that the Letter of Intent between the Company and DCETC was signed on 29 January 2002.

**Investors are advised to exercise extreme caution in dealing in the shares of the Company as the Letter of Intent is not legally binded. Legal binding agreement may or may not be execute. When legal binding agreement execute, further announcement will be made.**

This announcement is made at the request of the Stock Exchange of Hong Kong Limited.

We have noted the recent increase in the trading volume of the shares of Sunlord Chemical Group Limited (the "Company") on 30 January, 2002 and wish to state that we are not aware of any reasons for such increase save as disclose hereafter.

The Directors wish to announce that a letter of intent ("Letter of Intent") was signed between the Company and 大慶市經濟貿易委員會 [Daqing City Economics and Trade Committee ("DCETC")] on 29 January 2002 and the terms of the Letter of Intent are summarised as below:

- (a) the Company would act as an agent for the government of Daqing City, the People's Republic of China ("PRC") in Hong Kong and Macau and to assist enterprises in Daqing City, the PRC to seek for business opportunities and fund raising as well as listing in Hong Kong, Macau and other overseas countries; and
- (b) DCETC will coordinate the development of business cooperation between the Company and enterprises in Daqing City, the PRC and such development including but not limited to the establishment of joint venture and swapping of assets between the Company and the relevant enterprises;
- (c) the possible change of the name of the Company to "Daqing Petrochemical" or "Daqing Holdings" or such other names as when and appropriate.

Save as the above, the directors of the Company ("Directors") confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the board of Directors (the "Board") aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

The Company will comply with all relevant and applicable laws including the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited when and if any transaction in relation to the Letter of Intent is concluded.

Made by the order of the Board, the directors of the Company jointly and individually accept responsibility for the accuracy of this announcement.

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By order of the Board  
Sunlord Chemical Group Limited  
Wang Dan Hui  
Chairman

Hong Kong, 30 January 2002

\* For identification purpose only