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GREAT WALL CYBERTECH LIMITED

(incorporated in Bermuda with limited liability)

(Provisional Liquidators Appointed)

(Stock code: 689)

Announcement

The Company, the Investor, the Provisional Liquidators and the Escrow Agent entered into the Escrow and Exclusivity Agreement on 4th June, 2004 pursuant to which the Investor is granted an exclusivity period up to the close of business on 2nd October, 2004 for the discussion and finalisation of a proposal for the restructuring of the Company.

Shareholders and potential investors should note that detail terms and conditions of the Restructuring Proposal are yet to be finalised and the Restructuring Proposal is subject to contract.

Trading in the shares of the Company has been suspended since 24th March, 2003 and will remain suspended until further notice. Further announcement will be made should there be any major development on the Restructuring Proposal.

ESCROW AND EXCLUSIVITY AGREEMENT DATED 4TH JUNE, 2004

Parties:

- 1) Great Wall Cybertech Limited (Provisional Liquidators Appointed) (the “Company”, together with its subsidiaries, the “Group”)
- 2) Climax Associates Limited (the “Investor”)
- 3) Lai Kar Yan Derek and Joseph K.C. Lo as joint and several provisional liquidators of the Company (the “Provisional Liquidators”)
- 4) Deloitte Touche Tohmatsu as escrow agent (the “Escrow Agent”)

The Investor, its beneficial owners and their respective associates, and the Escrow Agent are not connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) of the Company.

Subject:

The Investor has submitted a proposal (the “Restructuring Proposal”) for the restructuring of the Company, which involves, inter alia, a capital reorganisation, subscription of new shares of the Company by the Investor, whitewash waiver and creditors scheme of arrangement. The Investor confirmed that the whitewash waiver will be a condition to the completion of the Restructuring Proposal and such condition will not be waived by the Investor.

The Provisional Liquidators have found the Restructuring Proposal to be a bona fide proposal worthy of their consideration and have agreed to grant the Investor an exclusivity period up to the close of business on 2nd October, 2004 for the discussion and finalisation of the Restructuring Proposal during which the Provisional Liquidators undertake not to solicit offers from other party or negotiate or discuss with other party relating to proposal on restructuring of the outstanding indebtedness and/or share capital of the Company or any of its subsidiaries or any issue of shares of the Company or any disposal of assets of the Company or any of its subsidiaries except when directed by the relevant law courts or otherwise required by law. In consideration thereof, the Investor has agreed to pay up to approximately HK\$5,000,000 if and when the Restructuring Proposal is implemented in full to fund the costs and expenses incurred or to be incurred in relation to the Restructuring Proposal. The amount of HK\$600,000 has already been paid as escrow money on the signing of the Escrow and Exclusivity Agreement on 4th June, 2004.

General:

Shareholders and potential investors should note that detail terms and conditions of the Restructuring Proposal are yet to be finalised and the Restructuring Proposal is subject to contract.

Trading in the shares of the Company has been suspended since 24th March, 2003 and will remain suspended until further notice. Further announcement will be made should there be any major development on the Restructuring Proposal.

As at the date of this announcement, the directors of the Company consist of Mr. Wu Shaozhang, Mr. Wong Kwok Wing, Mr. Tse On Kin, Mr. Yuen Chung Yan, John, Mr. Chen Weixiong as executive directors, Mr. Lee Shue Shing and Mr. Wu Xiaoke as independent non-executive directors.

For and on behalf of
Great Wall Cybertech Limited
(Provisional Liquidators Appointed)
Derek Lai
Joint and Several Provisional Liquidator

By order of the Board
Great Wall Cybertech Limited
(Provisional Liquidators Appointed)
Tse On Kin
Director

Hong Kong, 10th June, 2004

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The Provisional Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

Please also refer to the published version of this announcement in the China Daily.