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SHANGHAI MING YUAN HOLDINGS LIMITED

上海銘源控股有限公司*

(incorporated in Bermuda with limited liability)

Financial Adviser

**Henco & Associates
Henco Capital Limited**

FURTHER AMENDMENT TO THE TERMS RELATING TO ACQUISITION OF HD GLOBAL LIMITED

The Directors wish to announce that on 10 October 2003, PAI as the purchaser has agreed to a written request of the Vendors and Mr. Lo and Dr. Hu as the guarantors to the Vendors, pursuant to the Supplemental Agreement, to amend and extend the deadline for the fulfillment of the Capital Contribution Undertaking from 10 October 2003 to 31 December 2003.

Reference is made to the announcement dated 13 May 2003 (the “13 May Announcement”) and the circular dated 30 May 2003 of the Company in relation to the Sale and Purchase Agreement entered into between the Vendors, PAI as the purchaser and Mr. Lo and Dr. Hu as the guarantors to the Vendors (the “Parties”) on 12 May 2003, and the announcement of the Company dated 16 July 2003 in relation to the Supplemental Agreement entered into between the Parties on 11 July 2003 (the “16 July Announcement”). Unless the context otherwise requires, terms and expressions defined in the 13 May Announcement and the 16 July Announcement shall have the same meanings when used in this announcement.

THE EXTENDED DEADLINE

The Directors wish to announce that on 10 October 2003 the Vendors, Mr. Lo and Dr. Hu have made a written request to PAI for more time to arrange the requisite funding for the fulfillment of the Capital Contribution Undertaking as set out in the Supplemental Agreement. On 10 October 2003, PAI as the purchaser has given its agreement to the written request of the Vendors, and Mr. Lo and Dr. Hu as the guarantors to the Vendors on 10 October 2003 and agreed to further postpone and extend the deadline for the fulfillment of the Capital Contribution Undertaking from 10 October 2003 to 31 December 2003 (the “Extended Deadline”). In accordance with the terms of the Supplemental Agreement, the Second Batch Consideration Shares, being 90,000,000 new Shares to be issued and allotted by the Company at an issue price of HK\$0.20 per new Share in satisfaction of the remaining balance of the consideration for the acquisition of the entire issued share capital of HD Global, will be issued and allotted to Dr. Hu (or his nominee(s)) by the Company within a period of 5 business days following the date of fulfillment of the Capital Contribution Undertaking, that is, by no later than 8 January 2004 as determined by reference to the Extended Deadline.

Save for the extension of the deadline for fulfillment of the Capital Contribution Undertaking to 31 December 2003, all the major terms and conditions of the Sale and Purchase Agreement as varied and supplemented by the Supplemental Agreement as disclosed in the 13 May Announcement and the 16 July Announcement remain unchanged. As the conditions of the Acquisition as set out in the Sale and Purchase Agreement have been fulfilled, the acquisition of the entire issued share capital of HD Global has completed on 18 July 2003. The First Batch Consideration Shares, being 135,000,000 new Shares have been issued and allotted to the nominee of Mr. Lo at completion of the Acquisition.

By Order of the Board
Shanghai Ming Yuan Holdings Limited
上海銘源控股有限公司 *
Chien Hoe Yong
Executive Director

Hong Kong, 13 October 2003

* *For identification purposes only*

"Please also refer to the published version of this announcement in The Standard"