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Inworld Group Limited

活力世界控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

CHANGE OF AUDITORS, APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND RESIGNATION OF EXECUTIVE DIRECTOR

The Board announces that CCIF has resigned as auditors of the Group on 5 June 2003 and that HLB Hodgson Impey Cheung has been appointed as auditors of the Company on 6 June 2003.

The Board further announces that Mr. Ng has been appointed as a non-executive director of the Company with effect from 18 June 2003 and Mr. Ngai has resigned as an executive director of the Company with effect from 13 June 2003.

The board of directors (the “**Board**”) of Inworld Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to announce that (a) Charles Chan, Ip & Fung CPA Limited (“**CCIF**”) resigned as auditors of the Company and its subsidiaries on 5 June 2003 and the Board accepted their resignation. The Company received CCIF’s resignation letter on 5 June 2003 which states that no circumstances connected with their resignation which they consider should be brought to the attention of the members and creditors of the Company or its subsidiaries. CCIF resigned as it failed to reach an agreement with the Company regarding the audit fees for the year ending 30 June 2003. The Company has delayed the announcement of a change of auditors as it has to check on the legal procedures for the appointment of the replacement.

The Board further announces that HLB Hodgson Impey Cheung has been appointed as auditors of the Company and its subsidiaries on 6 June 2003 to fill the vacancy arising on the resignation of CCIF and to hold office until the next annual general meeting.

The Board further announces that (a) Mr. Ng Yat Cheung (“**Mr. Ng**”) has been appointed as a non-executive director and a member of the audit committee of the Company with effect from 18 June 2003 and (b) Mr. Ngai Kwok Kin, Kevin (“**Mr. Ngai**”) has resigned as an executive director of the Company with effect from 13 June 2003 as Mr. Ngai would like to pursue his other work commitment. The Board also refers to the announcements of the Company dated 11 March 2003 and 23 April 2003 pursuant to which Mr. Ngai has indicated that he shall remain as an executive director of the Company. Recently, Mr. Ngai has determined to dedicate more of his time in his other commitment and have therefore decided to resign as an executive director of the Company. Mr. Ngai will continue to be directors of the subsidiaries

of the Company (i.e. Inworld International Limited, Inworld (Hong Kong) Limited, Inworld System (HK) Limited, Sunny World Company Limited, Inworld (Shanghai) Technology Company Limited and Inworld Technology (HK) Limited). Also, Mr. Ngai will remain as the legal representative of Inworld (Shanghai) Technology Company Limited.

Mr. Ng, aged 48, received an associate degree in arts in business data processing from Chabot College in the United States in 1984. He holds director's offices with a number of private companies which are principally engaged in technology, property development, insurance, finance and property holding.

Upon the resignation of Mr. Ngai and the appointment of Mr. Ng, the members of the Board will comprise Mr. Koh Tat Lee, Michael, chairman, an executive director and authorised representative; Mr. Chu Siu Wah, an executive director; Mr. Ng, an non-executive director and a member of the audit committee; Mr. Leung Chun Cheng, an independent non-executive director, a member and chairman of the audit committee; and Mr. Wong Shui Fun, an independent non-executive director and a member of the audit committee. The Board is of the view that the resignation of Mr. Ngai shall not affect the operations of the Company. Mr. Ng does not currently hold any shares in the Company and has not held any shares in the Company in the past.

The Board would like to take this opportunity thank Mr. Ngai for his contribution to the Company during his term of service. The Board also welcomes Mr. Ng for his joining the Board.

By order of the Board
Inworld Group Limited
Koh Tat Lee, Michael
Chairman

Hong Kong, 18 June 2003

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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