

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.



China United
International Holdings Limited

互聯控股有限公司

(Incorporated in Hong Kong with limited liability)

PROPOSED DISTRIBUTION OF RADFORD SHARES

<p>The Board has decided not to proceed with the proposed distribution of the Radford Shares as special dividend.</p>

Reference is made to the announcement of China United International Holdings Limited (the “Company”) dated 10 December 2003 regarding the proposed distribution of the shares of HK\$0.02 each (“Radford Shares”) in the capital of Radford Capital Investment Limited (“Radford”) as special dividend to its shareholders (“Shareholders”). The acquisition of 200 million Radford Shares was approved by the independent Shareholders at the extraordinary general meeting of the Company dated 9 January 2004.

The board of directors (“Board”) of the Company has decided not to proceed with the proposed distribution of Radford Shares as special dividend. The decision has been arrived at after taking account of the view of the auditors that the Company had no distributable reserve as at 30 November 2003 and the requirements of Companies Ordinance (Chapter 32 of the Laws of Hong Kong) on the availability of the distributable reserve of the Company. The Board will seek another way to reward the Shareholders for the year end 2004.

Since the proposed distribution will not be proceeded and therefore there will be no donation of the Radford Shares to charitable corporation. The Board is reviewing the current stock market conditions and the Company’s investment and will consider to dispose of all or part of the Radford Shares orderly in the market when opportunities arises. If any Radford Shares were disposed, the proceed will be for general working capital of the Company. Meanwhile, the Company does not have any new investment targets. In view of the view of the Board towards the acquisition of the Radford Shares as per the announcement dated 2nd December 2003, the Board has expressed that there may be medium and long term appreciation on the share price of Radford under the then depressed stock market conditions. However, the Board must review the stock market conditions as well as different opportunities that may arises from time to time for various investments so as to decide the holding period for each investment. As at the date of this announcement, the Group held 200 million Radford Shares, representing 18.32% of the issued share capital of Radford.

By order of the Board
China United International Holdings Limited
Chung Wilson
Managing Director

Hong Kong, 16 February 2004