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China United
International Holdings Limited
互聯控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

BONUS ISSUE OF SHARES AND GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The Board proposes to make the Bonus Issue to the Shareholders. Each Shareholder will be issued Bonus Shares on the basis of three Bonus Share for every two Shares held on the Record Date. The Bonus Issue is conditional upon approval by Shareholders at the EGM and the Stock Exchange granting listing of and permission to deal in the Bonus Shares.

The Board also propose to renew the General Mandates to issue and repurchase Shares at the EGM.

A circular containing, inter alia, details of the Bonus Issue, renewal of General Mandates and notice of the EGM will be despatched to the Shareholders as soon as practicable.

BONUS ISSUE OF SHARES

The Board proposes to make the Bonus Issue of Shares, on the basis of three new Bonus Shares, credited as fully paid, for every two existing Shares held by the Shareholders on the Record Date subject to the conditions detailed below.

Based on the 452,136,397 Shares in issue as at the date of this announcement and assuming no further Shares are issued or repurchased from the date hereof until the Record Date, 678,204,595 Bonus Shares would be issued and approximately HK\$67.8 million of the amount standing to the credit balance in the share premium account of the Company would be capitalised. There are sufficient amount in the share premium account for the purpose of the capitalization to effect the Bonus Issue of Shares.

As at the date of the announcement, there are 9,017,950 warrants with exercise price of HK\$0.38 outstanding and convertible notes in the amount of HK\$58.8 million with the conversion price of HK\$1.48 outstanding. Both the exercise price and conversion price of the warrants and convertible notes may be adjusted for the Bonus Issue of Shares, for which the Company will make further announcement to inform the public as soon as practicable if any adjustment is required. However, if all the warrants and convertible notes being exercised and converted on or before the Record Date, there are additional 73,121,518 Bonus Shares would be issued and approximately HK\$7.3 million of the amount standing to the credit balance in the share premium account of the Company would be capitalised.

The Bonus Shares will rank *pari passu* in all respects with the existing Shares.

Fractional entitlements

Fractional entitlements to the Bonus Issue will not be granted but will be aggregated and sold for the benefit of the Company.

Conditions of the Bonus Issue

The Bonus Issue is conditional upon:-

- (i) approval of Shareholders at the EGM; and
- (ii) the Stock Exchange granting listing of and permission to deal in the Bonus Shares.

Subject to the conditions being satisfied, dealings in the Bonus Shares are expected to commence on Wednesday, 16th June 2004.

Certificates for Bonus Shares

It is expected that certificates for the Bonus Shares will be posted on or around Monday, 14th June 2004 at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company.

Reasons for the Bonus Issue

The Board believe that the Bonus Shares will provide the Shareholders with the opportunity to participate in the growth of the Company by way of capitalisation of a portion of the share premium account of the Company.

Closure of register of members

The register of members of the Company will be closed from Thursday, 27th May 2004 to Monday, 31st May 2004 (both dates inclusive) in order to determine entitlements to the Bonus Issue. **To qualify for the Bonus Issue, investors must ensure that all forms of transfers of Shares accompanied by the relevant Share certificates are lodged with Company's share registrar in Hong Kong, Computershare Hong Kong Investors Limited at Shop 1712 - 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 25th May 2004.**

Expected Timetable for Bonus Issue

Last day of dealings in Shares cum-entitlements to the Bonus Shares	Friday, 21st May 2004
First day of dealings in Shares ex-entitlements to the Bonus Shares	Monday, 24th May 2004
Latest time for lodging transfers of Shares for entitlements to the Bonus Shares	4:00 p.m. on Tuesday, 25th May 2004
Closure of register of members of the Company	Thursday, 27th May 2004 to Monday, 31st May 2004 (both dates inclusive)
Latest time for lodging proxy forms for EGM	9:15 a.m. on Saturday, 29th May 2004
Record Date	Monday, 31st May 2004
EGM	9:15 a.m. on Monday, 31st May 2004 (or immediately after the conclusion or adjournment of the Annual General Meeting of the Company to be held on the same day)
Despatch of the certificates for the Bonus Shares	Monday, 14th June 2004
Commencement of dealings in the Bonus Shares	9:30 a.m. on Wednesday, 16th June 2004

RENEWAL OF GENERAL MANDATES

The Board proposes to put forward resolutions at the EGM to grant general mandates to the Board to exercise the powers of the Company to (i) allot and issue Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of the EGM and (ii) to purchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the EGM.

General

A circular containing details of, inter alia, the Bonus Issue, renewal of General Mandates and notice of the EGM will be despatched to the Shareholders as soon as practicable.

Application will be made to the Listing Committee of the Stock Exchange for the granting listing of and permission to deal in the Bonus Shares.

Business of the Group

The Group is principally engaged in the business of investment in trading securities, provision of brokerage and financial services and property investment.

DEFINITIONS

“Board”	board of directors of the Company
“Bonus Issue”	the Bonus Issue of Shares
“Bonus Issue of Shares”	the conditional issue of Bonus Shares to Shareholders as described herein
“Bonus Shares”	new Shares to be issued under the Bonus Issue of Shares
“Company”	China United International Holdings Limited
“EGM”	an extraordinary general meeting of the Company to be held on Monday, 31st May 2004 to approve matters related to the Bonus Issue and the renewal of the General Mandates
“General Mandates”	the general mandates to issue and repurchase Shares proposed to be renewed at the EGM
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Issue Date”	the date of issue of the Bonus Shares, currently expected to be on Monday, 14th June 2004
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Record Date”	Monday, 31st May 2004 being the date for determination of entitlements to the Bonus Issue
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Chuang Yueheng, Henry, Mr. Chung Wilson, Mr. Lo Kan Sun and Mr. Wong Ying Seung, Asiong, and three independent non-executive Directors, namely Mr. Lam Ping Cheung, Mr. Ong Peter and Mr. Miu Frank H..

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

Hong Kong, 22nd April 2004