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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)

EXCEPTIONAL PRICE MOVEMENT

POSSIBLE JOINT VENTURE AND POSSIBLE JOINT VENTURE AND CONNECTED TRANSACTION

This statement is made at the request of the Stock Exchange of Hong Kong Limited.

We have noted the increase in the price of the Shares today and wish to state that we are not aware of any reasons for such increase.

Save as the potential ventures that undergo the negotiations as stated at below, we also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be a price-sensitive nature.

The Company has a group of representatives visited Beijing and Tianjin during 30th July 2004 to 3rd August 2004 in discussing the setting up of joint venture companies with Ms. Qiu and Mr. Zhuang respectively for the Company's potential investments in Beijing and Tianjin. The Company has undergone verbal negotiations with Ms. Qiu and Mr. Zhuang in relation to the respective joint venture companies, however, no formal and binding agreements have been entered. Further announcement(s) will be made as and when appropriate, and the Company will comply with the relevant Listing Rules where applicable.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

Investors are advised to exercise caution when dealing in the Shares as the investments may or may not proceed.

This statement is made by the request of the Stock Exchange of Hong Kong Limited.

The board of directors (the "Board") of China United International Holdings Limited (the "Company") have noted the increase in the price of the shares of the Company (the "Shares") today and wish to state that we are not aware of any reasons for such increase.

Save as the potential ventures that undergo the negotiations as stated at below, we also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

The Company has a group of representatives visited Beijing and Tianjin during 30th July 2004 to 3rd August 2004 in discussing the setting up of joint venture companies with Ms. Qiu Hong (the "Ms.

Qiu”) and Mr. Zhuang You Dao (the “Mr. Zhuang”) respectively for the Company’s investments in Beijing and Tianjin. The Company has undergone verbal negotiations with Ms. Qiu and Mr. Zhuang in relation to the respective joint venture companies, however, no formal and binding agreements have been entered. Further announcement(s) will be made as and when appropriate, and the Company will comply with the relevant Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) where applicable.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

POSSIBLE JOINT VENTURE

Ms. Qiu has been engaged in the construction materials trading business for more than 15 years and has acted as the sole agents for the distribution of brand name Italian marbles “MGC” and “Santa Margherita” in Northern China since 1998 and 1999 respectively. In view of the popularity of synthetic compound marble over conventional natural stones and the anticipated tremendous demand on synthetic compound marbles due to enormous construction works from Beijing 2008 Olympic Games, Shanghai 2010 World Expo and the Western Region Development, Ms. Qiu had acquired the production facilities of marbles at Beijing in 2001 and has transformed the Beijing Longyou Construction Material Limited (the “Longyou”) into the production and distribution of synthetic compound marbles since 2002.

Longyou is a limited company incorporated in PRC for which is approximately 79.45%, 19.82% and 0.73% owned by Ms Qiu, Mr. Lui Fuk Sang (the “Mr. Lui”), Mr. Sung Po Sen (the “Mr. Sung”) respectively. All the shareholders of Longyou are independent third parties that are not connected persons (as defined under the Listing Rules) of the Company. Ms. Qiu prepares to set up a company in Bermuda or Cayman Islands (the “New Co”) whereas Ms. Qiu continues to be the controlling shareholder of the New Co and having the Company together with other potential investors as the minority shareholders of the New Co to acquire the whole business of Longyou in Beijing so as to transform the organization structure of Longyou to fulfill the listing requirements. The Company prepares to invest approximately HK\$40 million in New Co in the form of equity and/or shareholder loan subject to the satisfaction of the financial and legal due diligence in Longyou and any relevant regulatory approval in PRC and Hong Kong. No formal and legally binding agreement has been entered between Ms. Qiu and the Company. Further announcement(s) will be made as and when appropriate, and the Company will comply with the relevant Listing Rules where applicable. The investment in New Co may or may not proceed, investors are advised to exercise caution when dealing in the Shares.

POSSIBLE JOINT VENTURE AND CONNECTED TRANSACTION

Mr. Zhuang has been engaged in the sales of imported automobiles and the provision of repairing and maintenance services since 1998. He is the sole proprietor of Tianjin Ning Fa Automobile Service Centre (the “Ning Fa”) and Ning Fa is principally engaged in the provision of repairing and maintenance service for General Motor, Ford and Japanese imported automobiles. While Tianjin Jinri Automobile Sale & Service Company Limited (the “Jinri”) is a limited company incorporated in PRC and is 50%, 45% and 5% owned by Tianjin Hairun Industry Group Company Limited (the “Hairun”), Mr. Zhuang and Tianjin Yida Automobile Sale Company Limited (the “Yida”). Jinri is one of the authorized dealers of Nissan Motor (China) Company Limited (the “Nissan”) in Tianjin for the distribution of different series of Nissan motor that produced in Japan and PRC.

Mr. Zhuang is the cousin of the chairman of the Company (the “Chairman”) and is defined as the connected persons (as defined under the Listing Rules) of the Company. The Company prepares to spend approximately HK\$20 million in setting up a company together with Mr. Zhuang (the “Holding Co”) to acquire Ning Fa and Jinri subject to the satisfaction of the financial and legal due diligence in Ning Fa and Jinri and any relevant regulatory approval in PRC and Hong Kong. No formal and legally binding agreement has been entered between Mr. Zhuang and the Company. Further announcement(s) will be made as and when appropriate, and the Company will comply with the relevant Listing Rules where applicable. The investment in Holding Co may or may not proceed, investors are advised to exercise caution in dealing the Shares.

GENERAL

The Company and its subsidiaries (the “Group”) are principally engaged in investment holding. The principle activities of the Group include property investments, investment holding, investment in trading securities and provision of brokerage and financial services. The Board considers that the investments in New Co and Holding Co represent good opportunity of the Group to diversify its present investment in PRC. The Board prepares to use internal resources and depending on market conditions will arrange borrowing and/or fund raising in the stock market to fulfill the capital requirements on the potential investments. The Board expects that the potential investments will also bring in contributions to the Company in the future.

The financial and legal due diligence in Longyou, Ning Fa and Jinri are expected to be completed in a period of four months starting from the date of this announcement. The Company will further negotiate with Ms. Qiu and Mr. Zhuang regarding the details of setting up of the New Co and Holding Co and expected that the formal and legally binding agreements shall be entered in due course. The Company will make further announcement(s) as and when appropriate, and the Company will comply with the relevant Listing Rules where applicable.

Investors are advised to exercise caution when dealing in the Shares as the investments may or may not proceed.

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, 5th August 2004