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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)

**DISCLOSEABLE TRANSACTION
AND
PLACING OF NEW SHARES UNDER GENERAL MANDATE
AND
RESUMPTION OF TRADING**

PLACING AGENT



Kingston Securities Limited

On 22nd November, 2004, the Purchaser entered into the S/P Agreement with the Vendor pursuant to which the Vendor conditionally agreed to sell and the Purchaser agreed to purchase the Sale Shares in Wide Asia, representing 28% of the issued share capital of Wide Asia at the Sale Price of HK\$17,472,000, which shall be satisfied by the issue and allotment of 72,800,000 Consideration Shares to the Vendor at HK\$0.24 per Share representing approximately 5.69% of the issued share capital as at the date of this announcement and approximately 5.39% of the issued share capital of the Company, as enlarged by the issue of the Consideration Shares and 5.32% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and Placing Shares. As part of the terms of the S/P Agreement, the Purchaser agreed to use best endeavours to procure that the Loan is made available to Wide Asia, secured by a charge over the Vessel.

The S/P Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing details of the S/P Agreement will be despatched to shareholders as soon as possible.

On 19th November, 2004, the Company entered into the Placing Agreement with Kingston pursuant to which the Company has conditionally agreed to place, through its placing agent, Kingston, 17,640,000 Placing Shares to independent investors at a price of HK\$0.24 per Placing Share.

Kingston has been appointed to act as placing agent for the Placing on a fully underwritten basis.

The Placing Shares represent (i) approximately 1.38% of the existing issued share capital of the Company of 1,278,949,054 Shares; (ii) approximately 1.36% of the Company's issued share capital as enlarged by the Placing (i.e. 1,296,589,054 Shares); and (iii) approximately 1.29% of the Company's issued share capital as enlarged by the Placing and the Consideration Shares (i.e. 1,369,389,054 Shares). The net proceeds from the Placing is approximately HK\$4 million and will be used as general working capital of the Group.

The placing price of HK\$0.24 per Share represents (i) a discount of approximately 15.79% to the last traded price of HK\$0.285 per Share quoted on the Stock Exchange on 19th November, 2004 prior to the suspension of trading in the Shares; (ii) a discount of approximately 11.11% to the closing price of HK\$0.27 per Share quoted on the Stock Exchange on 18th November, 2004; and (iii) a discount of approximately 10.45% to the average closing price of approximately HK\$0.268 per Share as quoted on the Stock Exchange for the last five full trading days on which trading in the Shares was not suspended immediately before the issue of this announcement.

The Placing is conditional upon the Stock Exchange granting listing of and permission to deal in the Placing Shares.

The Placing is subject to termination on the occurrence of, amongst other things, any event of force majeure (which include events set out in more detail below) at or before 10:00 a.m. on the completion date of the Placing.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 10:31 a.m. on 19th November, 2004 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 30th November, 2004.

THE S/P AGREEMENT

Date: 22nd November, 2004

Parties to the Agreement: Chau Tuk Shun as Vendor
Pleasure Developments as Purchaser

The Vendor agreed to sell and the Purchaser agreed to purchase 28 Sale Shares in Wide Asia, representing 28% of the issued share capital of Wide Asia for a consideration of HK\$17,472,000 which will be satisfied by the issue and allotment of 72,800,000 Consideration Shares at HK\$0.24 per Share to the Vendor or as it may direct. The Purchaser shall procure that the Consideration Shares are issued to the Vendor by the Company. The Consideration Shares when issued will rank pari passu with all other Shares in issue on completion of the S/P Agreement.

The issue price of HK\$0.24 per Consideration Share represents (i) a discount of approximately 15.79% to the last traded price of HK\$0.285 per Share quoted on the Stock Exchange on 19th November, 2004 prior to the suspension of trading in the Shares; (ii) a

discount of approximately 11.11% to the closing price of HK\$0.27 per Share quoted on the Stock Exchange on 18th November, 2004; and (iii) a discount of approximately 10.45% to the average closing price of approximately HK\$0.268 per Share as quoted on the Stock Exchange for the last five full trading days on which trading in the Shares was not suspended immediately before the issue of this announcement.

The Consideration Shares will be issued under the general mandate to issue shares granted by shareholders of the Company to the Directors by resolution passed at the extraordinary general meeting held on 31 May, 2004.

Application will be made to the Stock Exchange for listing of and permission to deal in the Consideration Shares.

Conditions:

Completion of the S/P Agreement is subject to the following conditions:

- (i) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Consideration Shares; and
- (ii) a legal and financial due diligence investigation to be carried out on the assets (including the Vessel and title thereto), liabilities, business and operations of Wide Asia (including the Ship Acquisition Contract) having been completed to the satisfaction of the Purchaser in its sole discretion.

Completion will take place on the seventh day after satisfaction of the conditions. If the conditions are not satisfied (or in the case of (ii) above waived) on or before 10th December, 2004 or the Vessel shall be damaged at any time before completion and the Company gives notice of termination, the S/P Agreement shall terminate and the parties shall not have any further claims against each other, save in respect of antecedent breaches.

Wide Asia:

Wide Asia is a vehicle acquired for the sole purpose of entering into the Ship Acquisition Contract to acquire the Vessel from K & O Shipping Limited. The Ship Acquisition Agreement has been completed. To the best of the knowledge of the Company, Wide Asia now holds the title to the Vessel.

The Vessel will be engaged in the casino and entertainment business in international waters. The Vessel was built in 1976 and was previously used as a passenger vessel. It can carry approximately 760 passengers. Its model type is KM*13 2 Passenger Ship.

After completion of the S/P Agreement, Wide Asia will be accounted for as an associated company of the Company.

After completion of the S/P Agreement, Wide Asia will be held as to 40% Lin Cheuk Fung, 30% Lin Cheuk Ming, 2% by the Vendor and 28% by the Purchaser. The board of directors

of Wide Asia will consist of 2 directors, both of which will be nominated by the existing shareholders of Wide Asia on completion of the S/P Agreement. The Purchaser shall not be nominating any representatives on board of Wide Asia on completion of the S/P Agreement.

Wide Asia's current intention is to lease the Vessel to the Ship Operating Company and not to be engaged in the operation of the casino and entertainment business on board the Vessel.

Based on information provided by the Vendor:

- (i) Wide Asia is currently owned as to 40% by Lin Cheuk Fung, 30% by Lin Cheuk Ming and 30% by the Vendor;
- (ii) the existing shareholders of Wide Asia are not Connected Persons of the Company and not related to Connected Persons of the Company.

Consideration:

The aggregate consideration for the Acquisition payable by the Purchaser is HK\$17,472,000, which was arrived that after arms length negotiations between the Vendor and the Purchaser based on Wide Asia's acquisition price of the Vessel of US\$5,850,000 under the Ship Acquisition Contract and the social network of the Vendor in procuring the Ship Operating Company and the Casino Operating Company to enter into the Ship Operating Contract and the Casino Operating Contract. No valuation was conducted on the Vessel.

Wide Asia is a vehicle acquired for the sole purpose of entering into the Ship Acquisition Contract to acquire the Vessel. Save for the entering into the Ship Acquisition Contract, Wide Asia has not conducted any business nor made any profit or incurred any losses for the period from the date of incorporation on 3rd May, 2004 to the date of this announcement. Wide Asia is expected to commence operation around mid-April 2005 and will lease the Vessel to the Ship Operating Company around mid-April 2005.

Vendor's undertakings

The Vendor undertook in the S/P Agreement to the Purchaser to procure the execution of:

- (1) the Ship Operating Contract between Wide Asia and the Ship Operating Company whereby a bare boat charter fee of HK\$100,000 per day will be paid by the Ship Operating Company to Wide Asia on a weekly basis for the lease of the Vessel from Wide Asia (owner of the Vessel) to the Ship Operating Company; and
- (2) the Casino Operating Contract between the Ship Operating Company and the Casino Operating Company in relation to the Ship Operating Company's share of profit from the Casino Operating Company.

So far as the Company is aware, there is no agreed duration for the Ship Operating Contract yet.

The Company understands that the arrangements are that the Ship Operating Company will be responsible for the daily operation (including the provision of the crew, entertainment,

food and beverage, hotel accommodation on board the Vessel), repair and maintenance of the Vessel. The Casino Operating Company will be only responsible for the operation of the casino on board the Vessel. The Purchaser understands that the Casino Operating Contract will specify the profit sharing arrangements between the Ship Operating Company and the Casino Operating Company for the operation of the casino on board the Vessel. As the Purchaser is not party to such arrangements, it is not privy to the terms of the agreement (including its duration). The casino on board the Vessel is not in operation yet.

Other terms of the S/P Agreement:

The Loan

The Purchaser has agreed to use its reasonable endeavours to procure that the Loan of HK\$40 million is made available to Wide Asia which Loan shall bear interest at the total rate of 12% for the duration of the Loan and be repayable in 28 equal instalments of HK\$1,600,000 (inclusive of interest) payable from the last business day of every month from and including the third month after the date of grant of the Loan until the last business day of the 30th month after the date of grant of the Loan. The Loan shall be secured by a charge over the Vessel in favour of the lender. The Directors (including the independent non-executive directors) consider that the terms of the Loan to be better than the prevailing market terms. The S/P Agreement does not provide a date upon which the Purchaser is required to use reasonable endeavours to procure the Loan for Wide Asia. It is the commercial understanding between the parties that the Purchaser will only procure the Loan after the Acquisition has been completed.

The Purchaser may at its own discretion itself or may procure the Company or any other party to make available the Loan to Wide Asia, provided that if the Loan is made available by the Group, it will be made subject to compliance with all requirements of the Listing Rules (including but not limited to publishing a press announcement, despatching a circular to shareholders and obtaining the approval of shareholders (if required)). If the Loan is to be made by the Group, it will be funded by the internal resources of the Group. Depending on market conditions the Company may arrange borrowing and/or raise funds in the stock market to fulfil such funding requirement. As at the date of this announcement, the Company has neither approached any party to provide the Loan nor decided the way of financing.

Provided that the Purchaser complies with its obligation to make available the Loan to Wide Asia (either by itself, the Company or any other company), the Vendor shall procure that the Purchaser enters into an agreement with the Casino Operating Company to the effect that the Purchaser is paid a sum equal to 4.8% of the profit before tax and extraordinary items of the Casino Operating Company as set out in its audited profit and loss accounts on an annual basis for a total of 10 years from the date of grant of the Loan.

Non-Disposal

The Vendor has undertaken to the Purchaser that he shall not, and shall procure that none of the companies controlled by him or nominees or trustees holding in trust for him shall, within a period of 12 months from completion of the S/P Agreement, sell, transfer, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights or interests in

respect of any of the Consideration Shares, or sell, transfer, dispose of or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any shares in any company controlled by him which is directly, or through another company indirectly, the beneficial owner of any of the Consideration Shares.

As at the date of this announcement, the Vendor holds 22,000 Shares in the Company. Upon the completion of the S/P Agreement, the Vendor will hold 72,822,000 Shares in the Company, representing approximately 5.39% of the issued Shares as enlarged by the Consideration Shares.

Call Option Agreement

The Vendor agreed to deliver the Call Option Agreement, duly executed by Wide Asia to the Purchaser on Completion of the S/P Agreement, containing the following terms.

Parties: Wide Asia as grantor
 The Purchaser (or as it may direct) as grantee

Wide Asia will grant an option to the Grantee to require Wide Asia to issue and allot the Call Option Shares to the Grantee or as it may direct at the Option Price of US\$5 million payable in cash or other means of settlement as agreed between the parties. The Call Option is exercisable by the Grantee at the discretion of the Grantee within a period of 18 months from completion of the S/P Agreement. The Call Option Shares will represent 33.3% of the issued share capital of Wide Asia, as enlarged by the issue of the Call Option Shares. If the Purchaser exercises the Call Option and on the basis of the issued share capital of Wide Asia as at the date of this announcement and assuming no further shares are issued by Wide Asia, the Purchaser will hold approximately 52% of the issued share capital of Wide Asia (i.e. the Sale Shares and the Call Option Shares) on exercise of the Call Option and Wide Asia will become a subsidiary of the Company.

The Call Option Price was determined based on the expected stable income stream of Wide Asia. Pursuant to the Ship Operating Contract, the Ship Operating Company agreed to pay a bare boat charter fee of HK\$100,000 per day on a weekly basis to Wide Asia. Assuming the Loan is made and taking into account monthly repayment instalment of HK\$1,600,000 for the Loan, the Directors estimate that Wide Asia will receive net bare boat charter fees of approximately HK\$20.5 million, HK\$17.3 million, HK\$26.9 million and HK\$36.5 million every twelve months in a period of forty eight months after the Loan is made. The grant of the Call Option will provide the Company, at its discretion, an opportunity to increase its stake in and consolidate control of Wide Asia. The Directors are of the view that the Call Option Price is fair and reasonable and in the interest of shareholders as a whole.

Conditions:

Completion of the exercise of the Call Option is conditional upon compliance with all disclosure and approval requirements by the Company under the Listing Rules for the purposes of completion of the Call Option Agreement.

The consideration for the grant of the Call Option is HK\$1.

IMPLICATION UNDER THE LISTING RULES

The S/P Agreement constitutes a discloseable transaction under Chapter 14 of the Listing Rules.

The Call Option will fall under Rule 14.75 of the Listing Rules. The Company will comply with the Listing Rules as and when the Call Option is exercised.

A circular will be despatched to shareholders containing further details of the Acquisition and the Loan.

GENERAL INFORMATION

The Vendor holds of 22,000 shares in the Company as at the date of this announcement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is not a Connected Person of the Company and is otherwise independent of the Company and Connected Persons of the Company. The Group is principally engaged in investment holding. The principal activities of the Group include property investments, investment holding, investment in trading securities and provision of brokerage and financial services.

Pleasure Developments is the indirect wholly owned subsidiary of the Company that was established specifically for the investment in Wide Asia. Depending on the result of this investment, the Company may invest further into Wide Asia as well as make other investments in Macau. There are no identified investment targets in Macau as at the date of this announcement (other than that mentioned in the Company's announcement dated 12th November, 2004. The Company has no intention to change its business scope but reference is made in the announcement of the Company dated 12th November, 2004 in relation to possible opportunities for diversification of the investments of the Company in China and Macau.

Based on information provided by the Vendor:

- (i) the Ship Operating Company is owned by Everlink Asia Limited and Newsmart Investment Limited as to 60% and 40% respectively and Mr. Lin Cheuk Fung and Mr. Lin Cheuk Hung are the directors of the Ship Operating Company. Everlink Asia Limited is beneficially owned by Lin Cheuk Fung and Newsmart Investment Limited is beneficially owned by Lee Tse Ming;
- (ii) the Ship Operating Company, the existing shareholders of the Ship Operating Company and their ultimate beneficial shareholders are not Connected Persons of the Company and not related to Connected Persons of the Company;
- (iii) the Casino Operating Company is beneficially owned by Mr. Lin Cheuk Fung. Mr. Lin Cheuk Fung and Mr. Lin Cheuk Ming are the directors of the Casino Operating Company;

- (iv) the Casino Operating Company, the existing shareholder of the Casino Operating Company are not Connected Persons of the Company and not related to Connected Persons of the Company; and
- (v) both the Ship Operating Company and the Casino Operating Company have been operating the casino and entertainment business since 1996 on board other vessels.

To the best of the knowledge of the Directors, chief executive and substantial shareholders of the Company, K&O Shipping Limited, is not a Connected Person of the Company and are not related to Connected Persons of the Company.

REASONS FOR THE TRANSACTION

The Directors consider that (i) the Acquisition will provide the Company an opportunity to acquire an interest in Wide Asia which is expected to provide an ongoing stable income stream from the bare boat charter fee under the Ship Operating Contract; (ii) through the procurement of the Loan, the Company is expected to enjoy 4.8% of the profit before tax and extraordinary items of the Casino Operating Company for 10 years, without having to acquire any equity interest in the Casino Operating Company which in turn may expose it to risks of operating the casino; and (iii) the Call Option will enable the Company to have 18 months to monitor the performance of Wide Asia and at its discretion through the exercise of the Call Option, increase its stake in Wide Asia and consolidate its control over Wide Asia.

The issuance of the Consideration Shares will increase the permanent capital of the Company without creating any financial burden on the Company. The Directors consider that the terms of the S/P Agreement to be fair and reasonable and in the best interest of the Company and shareholders as a whole.

IMPLICATIONS UNDER THE LAWS OF HONG KONG

The Group will through an indirect wholly-owned subsidiary, the Purchaser, hold an equity stake in Wide Asia, a company which holds the Vessel after completion of the Acquisition. On the basis that Wide Asia will only be leasing the Vessel to the Ship Operating Company and that it will not be engaged in the operation and management of the casino and entertainment business on board the Vessel, the Group will not be engaged in the management or operation of the casino and entertainment business which will be conducted on board the Vessel. If the Purchaser procures the making of the Loan to Wide Asia, the Purchaser will receive a profit share of the Casino Operating Company. This does not amount to the Group being engaged in gambling activities.

No licence is required in Hong Kong for the operation of the casino and entertainment business on board the Vessel on the basis that the casino and entertainment operations will be conducted exclusively in international waters. The Company will use its best endeavours (insofar as it is able in its capacity as a shareholder in Wide Asia to do so) to ensure that for as long as the Company has a direct or indirect interest in the Vessel, the casino and entertainment business carried out therein will comply with the applicable laws in the areas where such activities operate and/or not contravene the Gambling Ordinance of Hong Kong insofar as it is applicable.

Shareholders should be aware that under the Guidelines issued by the Stock Exchange in relation to “Gambling Activities undertaken by listed applicants and/or listed issuers” dated 11th March, 2003, should the Group be engaged in gambling activities and operation of such gambling activities (i) fail to comply with the applicable laws in the areas with such activities operate and/or (ii) contravene the Gambling Ordinance such that the Company or its business may be considered unsuitable for listing under Rule 8.04 of the Main Board Listing Rules, the Stock Exchange may direct the Company to take remedial action, and/or may suspend the dealings in, or may cancel the listing of, its securities.

Reference is made to the article in the Oriental Daily dated 26th November, 2004. The Company wishes to clarify that the reference to substantial shareholders of the Company injecting the operations of a casino vessel into the Group is unfounded and inaccurate. Details of the transaction entered into by the Group are referred to in this announcement.

THE PLACING

The Company has conditionally agreed to place, through its placing agent, Kingston, 17,640,000 Placing Shares in the share capital of the Company on a fully underwritten basis to independent investors at a price of HK\$0.24 per Placing Share.

PLACING AGREEMENT

Date: 19th November, 2004

Placing agent:

Kingston is the placing agent for the Placing, which is to be made, on a fully underwritten basis, and will receive a placement commission of 1.5% of the gross proceeds of the Placing.

Kingston and its ultimate beneficial owners are not connected persons (as defined in Listing Rules) of the Company and are third parties independent of the Company and its connected persons.

Placees:

The placees are required to be more than six (independent individual and institutional investors) who (i) will not be connected persons (as defined in Listing Rules) of the Company; and (ii) independent of the Company and its connected persons (as defined in the Listing Rules).

Placing price:

The placing price is HK\$0.24 per Placing Share. This price was agreed after arm’s length negotiations between the Company and Kingston and represents (i) a discount of approximately 15.79% to the last traded price of HK\$0.285 per Share quoted on the Stock Exchange on 19th November, 2004, prior to the suspension of trading in the Shares; (ii) a discount of approximately 11.11% to the closing price of HK\$0.27 per Share quoted on the

Stock Exchange on 18th November, 2004; and (iii) a discount of approximately 10.45% to the average closing price of approximately HK\$0.268 per Share as quoted on the Stock Exchange from 12th November, 2004 to 18th November, 2004, both dates inclusive, being the last five full trading days on which trading in the Shares was not suspended immediately before the issue of this announcement.

Rights

The Placing Shares will on issue rank equally in all respects with the then existing issued Shares.

Number of Shares to be placed

17,640,000 new Shares are to be placed, representing (i) approximately 1.38% of the existing issued share capital of the Company of 1,278,949,054 Shares; (ii) approximately 1.36% of the issued capital of the Company as enlarged by the Placing; and (iii) approximately 1.29% of the Company's issued share capital as enlarged by the Placing and the Consideration Shares.

General Mandate:

The Placing Shares will be issued under the general mandate ("General Mandate") to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the extraordinary general meeting (the "EGM") of the Company held on 31 May, 2004 up to 20% of the issued share capital of the Company as at the date of passing the resolution at the EGM (i.e. 452,219,003 Shares). As at the date of this announcement, none of the new Shares has been issued under the General Mandate.

The Company did not engage in any equity fund raising exercise for the last twelve months.

Reference is made to the announcement and circular of the Company dated 11th June, 2004 and 2nd July, 2004 respectively as well as the announcement of the Company dated 23rd July, 2004 in relation to placing of convertible redeemable notes in the aggregate principal amount of HK\$55 million, bearing interest at 7.8% per annum and due in 5 years from the date of issue. The outstanding amount of the notes as at the date of this announcement is HK\$53 million. The initial conversion price of such notes were HK\$0.50 per Share which was subsequently adjusted to HK\$0.45 per Share as a result of the bonus issue of shares of the Company announced on 17th September, 2004. The net proceeds of the placing of the convertible redeemable notes in the amount of HK\$53.7 million has been applied in total for reducing of the borrowings of the Company as stated in the announcement of the Company dated 23rd July, 2004.

Use of Proceeds

The net proceeds from the Placing referred to herein, estimated to be approximately HK\$4 million will be used for general working capital of the Group. The net proceeds raised per Share upon the completion of the Placing will be about HK\$0.227 per Share. All the expenses of the Placing will be borne by the Company.

Placing Condition

The Placing is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Placing Shares.

Force majeure

The Placing is subject to termination on the occurrence of certain events before 10:00 a.m. on the date for completion of the Placing Agreement, including:-

- (i) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (ii) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not ejusdem generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
- (iii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (iv) a change or development involving a prospective change in taxation in Hong Kong, the British Virgin Islands or the PRC or the implementation of exchange controls which shall or might materially and adversely affect the Group (taken as a whole) or its present or prospective shareholders in their capacity as such; or
- (v) any change or deterioration in the conditions of local, national or international securities markets occurs,

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Completion

The Placing is to be completed on the third business day after satisfaction of the Placing Condition. The Placing Agreement will lapse if the Placing Condition is not satisfied by 10th December, 2004 unless the parties agree otherwise.

Application for listing

Application will be made by the Company to the Stock Exchange for listing of and permission to deal in the Placing Shares.

Reason for the Placing

In view of the current market conditions the Directors consider that the Placing represents an opportunity to raise capital for the Company while broadening the shareholder base and the capital base of the Company.

EFFECT ON SHAREHOLDING STRUCTURE

The existing and enlarged shareholding structure of the Company immediately before and after the issue of the Placing Shares and Consideration Shares are set out below:

Name of Shareholders	No. of shares held at the date of this announcement	Percentage of issued share capital at the date of this announcement	No. of shares held immediately after the Placing	Percentage of entire issue share capital of the Company immediately after the Placing	No. of shares held immediately after the issue of Consideration Shares and Placing Shares	Percentage of issued share capital immediately after the issue of the Consideration Shares and Placing Shares
Radford ^{Note 1 and 2} Developments Limited	270,861,892	21.178%	270,861,892	20.89%	270,861,892	19.78%
PUBLIC SHAREHOLDERS						
Heritage International ^{Note 1 and 3} Holdings Limited	119,750,163	9.363%	119,750,163	9.236%	119,750,163	8.745%
Golden Resources ^{Note 1 and 3} Development International Limited	110,000,000	8.601%	110,000,000	8.484%	110,000,000	8.033%
Radford Capital ^{Note 1 and 3} Investment Limited	105,983,363	8.287%	105,983,363	8.174%	105,983,363	7.739%
The Vendor ^{Note 3}	22,000	0.002%	22,000	0.002%	72,822,000	5.318%
Others ^{Note 3}	<u>672,331,636</u>	<u>52.569%</u>	<u>689,971,636</u>	<u>53.214%</u>	<u>689,971,636</u>	<u>50.385%</u>
	<u>1,278,949,054</u>	<u>100%</u>	<u>1,296,589,054</u>	<u>100%</u>	<u>1,369,389,054</u>	<u>100%</u>

Note 1: based on the register maintained by the Company pursuant to the Securities and Futures Ordinance.

Note 2: These shares were held by Radford Developments Limited which is controlled by a trust with the son of Mr. Chuang Yueheng, Henry, the Chairman of the Company, currently named as the beneficiary.

Note 3: Heritage International Holdings Limited, Golden Resources Development International Limited, Radford Capital Investment Limited and the Vendor are public shareholders, with the meaning of the Listing Rules.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 10:31 a.m. on 19th November, 2004 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 30th November, 2004.

Definitions

The following terms are used in this announcement within the meanings set opposite them:-

“Acquisition”	the acquisition of the Sale Shares under the S/P Agreement;
“Call Option”	the option granted by Wide Asia to the Grantee to require Wide Asia to issue and allot the Call Option Shares to the Grantee or as it may direct;
“Call Option Agreement”	the conditional call option agreement to be entered into between the Grantee and Wide Asia relating the Call Option;
“Call Option Period”	the period of 18 months commencing from completion of the S/P Agreement;
“Call Option Price”	US\$5,000,000;
“Call Option Shares”	shares in Wide Asia, representing 33.3% of the issued share capital of Wide Asia at the time of exercise of the Call Option, as enlarged by the issue of the Call Option Shares;
“Casino Operating Company”	Artune Limited;
“Casino Operating Contract”	the contract to be entered into between the Casino Operating Company and the Ship Operating Company referred to in the paragraph headed “Vendor’s undertakings” in the section headed “Other terms of the Agreement” of this announcement;
“Company”	China United International Holdings Limited, a company incorporated in Hong Kong, whose shares are listed on the Stock Exchange;
“Connected Person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Consideration Shares”	72,800,000 new shares of a par value of HK\$0.10 each in the Company to be issued to the Vendor or as it may direct, representing approximately 5.39% of the issued share capital of the Company, as enlarged by the issue of the Consideration Shares;
“Directors”	the directors of the Company;
“Grantee”	the grantee of the Call Option;

“Group”	the Company and its subsidiaries;
“Kingston”	Kingston Securities Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	a loan in the amount of HK\$40,000,000 which shall bear interest at the total rate of 12% for the entire period of the Loan and repayable in 28 equal monthly instalments;
“Placing”	the placing of the Placing Shares by Kingston under the terms of the Placing Agreement;
“Placing Agreement”	an agreement dated 19th November, 2004 between Kingston and the Company in relation to the Placing of the Placing Shares;
“Placing Condition”	the condition for the Placing as described in the section headed “Placing Condition” above;
“Placing Shares”	17,640,000 new Shares in the Company;
“Pleasure Developments” or the “Purchaser”	Pleasure Developments Limited, a company incorporated in the British Virgin Islands, and an indirect wholly-owned subsidiary of the Company;
“Sale Price”	HK\$17,472,000;
“Sale Shares”	28 Shares, representing 28% of the issued share capital of Wide Asia;
“Shares”	shares of a par value of HK\$0.10 in the Company;
“Ship Acquisition Contract”	the contract entered into on 20th July, 2004 between Wide Asia (as purchaser) and K & O Shipping Limited (as vendor) in relation to the acquisition of the Vessel;
“Ship Operating Company”	Wide Asia Limited, a company incorporated in Hong Kong;
“Ship Operating Contract”	the contract to be entered into between Wide Asia and the Ship Operating Company as described in the paragraph headed “Vendor’s undertakings” in the section headed “Other terms of the Agreement” of this announcement;
“S/P Agreement”	the conditional sale and purchase agreement dated 22nd November, 2004 entered into by the Vendor and the Purchaser in relation to sale and purchase of the Sale Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Wide Asia” Wide Asia Shipping S.A., a company incorporated in Republic of Panama;

“Vendor” Chau Tuk Shun; and

“Vessel” CT Neptune, Ex. Oliva.

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 of directors of
China United International Holdings Limited
Chuang Yueheng, Henry
Chairman

Hong Kong, 29th November, 2004