



China United
International Holdings Limited
五聯控股有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 273)

ANNOUNCEMENT

The Company has been informed by our associated company, Hennabun Management Inc. (“HMI”) today of (i) the appointment of HMI as the adviser and non-exclusive agent for the recovery of bad and doubtful loans for Sojitz (Hong Kong) Limited; and (ii) Citigroup Global Markets Limited, a subsidiary of Citigroup, becomes a shareholder of HMI holding 25,000,000 HMI shares, representing approximately 4.23% of the issued share capital of HMI as stated below. The Board of the Company considers the said information is price-sensitive and discloseable pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The Company has been informed by our associated company, Hennabun Management Inc. (“HMI”) today of (i) the appointment of HMI as the adviser and non-exclusive agent for the recovery of bad and doubtful loans for Sojitz (Hong Kong) Limited; and (ii) Citigroup Global Markets Limited becomes a shareholder of HMI holding 25,000,000 HMI shares, representing approximately 4.23% of the issued share capital of HMI as stated below. The Board of the Company considers the said information is price-sensitive and discloseable pursuant to rule 13.09 of the Listing Rules.

Adviser and non-exclusive agent for Sojitz

The Company has been informed by HMI, an associated company of the Company, today that Sojitz, the Hong Kong subsidiary of one of the largest trading companies in Japan, has appointed HMI as its adviser and non-exclusive agent of Sojitz to recover certain bad and doubtful loans within Sojitz’s loan portfolio, total of which is estimated to be in excess of HK\$1 billion, during the term of appointment starting from 1st January 2005 to 30th June 2006. The agency fee will be on success basis calculated at 10% on the net actual amount of the bad loan(s) being recovered during the recovery process.

Investment of Citigroup Global Markets Limited (“Citigroup”) in HMI

Citigroup becomes a shareholder of HMI holding 25,000,000 HMI shares, representing approximately 4.23% of the issued share capital of HMI. The Company believes that the investment of Citigroup in HMI can further strengthen the shareholding base of HMI and facilitate its development.

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, 21st December 2004