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CIL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ADJOURNMENT OF THE WINDING UP HEARING, RECENT DEVELOPMENT OF THE SCHEME AND FURTHER DELAY IN THE PUBLICATION OF THE RESULTS OF THE GROUP FOR THE YEAR ENDED 30TH JUNE 2002 AND DESPATCH OF THE ANNUAL REPORT

During the winding-up hearing held on 10th February 2003, the Hong Kong Court ordered the winding-up hearing to be adjourned to 24th February 2003 allowing more time for the Company to implement the Scheme with the Scheme Creditors.

The Company is waiting for the completion of the Scheme in order to finalise the accounting records of the Group for the year ended 30th June 2002. The announcement of the final audited results of the Company for the year ended 30th June 2002 will be further delayed to a date which will be on or before 31st March 2003 and the despatch of the annual report to approximately three weeks thereafter. The delay in the publication of the audited final results and the delay in the despatch of the annual report constitute a breach of paragraphs 8(1), 11(1) of appendix 7b of the Listing Rules. In this regard, the Stock Exchange has reserved its right to take appropriate action against the Company and/or its Directors.

Trading in the Shares was suspended from 9:30 a.m. on 10th February 2003 at the request of the Company pending release of this announcement and application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 11th February 2003.

Investors are advised to exercise caution when dealing in the Shares.

Unless otherwise defined, terms used in this announcement have the meanings defined in the circular of the Company dated 31st May 2002 (the "Circular").

ADJOURNMENT OF THE WINDING UP HEARING

Reference is made to the announcements made by the Company on 8th October 2001, 12th November 2001, 14th January 2002, 18th March 2002, 29th April 2002, 6th May 2002, 17th June 2002, 29th July 2002, 26th August 2002, 4th November 2002, 16th December 2002 and 6th January 2003 in relation to the winding-up petition (the "Petition") issued against the Company by Star Dragon Securities Limited as the substituted petitioner. Reference is also made to the announcement made by the Company on 15th February 2002 regarding the Restructuring Proposal. On 31st May 2002, the Company despatched the Circular to its Shareholders, which addressed all of the above matters. On 2nd August 2002, the Company had despatched the Scheme document to Scheme Creditors and, for information only, the Shareholders and claimants of the Disputed Claims. On 28th November

2002, the Company had despatched the supplemental Scheme document to Scheme Creditors and, for information only, the Shareholders and claimants of the Disputed Claims.

During the hearing of the Petition held on 10th February 2003, the Company has made an application to the Hong Kong Court for an adjournment of the Petition to allow time for the Company to implement the Scheme with the Scheme Creditors.

Pursuant to the Company's application for adjournment of the Petition as mentioned above, the Hong Kong Court made an order to adjourn the Petition to 24th February 2003. In this connection, further announcement will be made as and when necessary.

RECENT DEVELOPMENT OF THE SCHEME

On 20th December 2002, the Company obtained the prerequisite majority from the Scheme Creditors at the meetings of the Scheme Creditors to approve the Scheme. The Company is in the process of finalising the petitions to sanction the Scheme. It is anticipated that the hearings at which the Company will seek Courts' sanction of the Scheme will be held in late February 2003 or early March 2003. In this connection, further announcement will be made by the Company.

FURTHER DELAY IN THE PUBLICATION OF THE RESULTS OF THE GROUP

Further to the announcement made on 31st December 2002, the Directors announce that the final audited results of the Group for the year ended 30th June 2002 will be further delayed to a date which will be on or before 31st March 2003 and the despatch of the annual report to approximately three weeks thereafter. Pursuant to the Listing Rules, the annual report for the year ended 30th June 2002 including its audited annual accounts must be published and sent to Shareholders within four months from the ended of the financial year. The accounting records of the Group could not be finalised as the amount of provisions for certain contingent liabilities (including but not limited to disputed claims with the creditors of the Group) to be made in the accounts could not be fixed until the Scheme has been completed. Accordingly, the final audited results will be further delayed. Once all the necessary court documents have been finalised and filed at the Courts, the Company will then be in a position to fix a date to seek the Courts' sanction of the Scheme.

The delay in the publication of the audited consolidated final results and the delay in the despatch of the annual report constitute a breach paragraph 8(1) and 11(1) of Appendix 7b of the Listing Rules. In this regard, the Stock Exchange reserves its rights to take appropriate action against the Company and/or its Directors. The Directors have not dealt in the Shares since 1st June 2002 and will undertake to the Stock Exchange that they will not deal in the Shares until the audited final results for the year ended 30th June 2002 have been released and published.

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By Order of the Board
CIL HOLDINGS LIMITED
Ke Jun Xiang
Chairman

Hong Kong, 10th February 2003

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, the opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Please also refer to the published version of this announcement in The Standard.