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CIL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

CURRENT STATUS OF THE SCHEME AND THE SUBSCRIPTION AGREEMENT; WAIVER FROM THE PUBLIC FLOAT REQUIREMENT;

FURTHER DELAY IN THE PUBLICATION OF THE RESULTS OF THE GROUP FOR THE YEAR ENDED 30TH JUNE 2002 AND DESPATCH OF THE ANNUAL REPORT; AND DELAY IN THE PUBLICATION OF THE RESULTS OF THE GROUP FOR THE SIX MONTHS ENDED 31ST DECEMBER 2002 AND DESPATCH OF THE INTERIM REPORT

On 16th May 2003, the Subscription Agreement and the Scheme were successfully completed. The Directors anticipate that the relevant cheques and the share certificates for the Shares issued under the Scheme will be despatched to the Scheme Creditors on 19th May 2003.

Upon completion of the Scheme and the Subscription Agreement, the number of Shares held in public hands will fall below the minimum prescribed percentage laid down in Rule 8.08 of the Listing Rules, which is expected to be approximately 18.4%. Accordingly, the Company has applied for a waiver from strict compliance with Rule 8.08 of the Listing Rules until 16th June 2003. **If the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend the trading in the Shares.**

The announcement of the final audited results of the Company of the year ended 30th June 2002 will be further delayed to a date which will be on or before 30th June 2003 and the despatch of the annual report to approximately three weeks thereafter.

Due to the incompleteness of the final audited results of the Group of the year ended 30th June 2002, the announcement of the interim results of the Group for the six months ended 31st December 2002 will be postponed to on or before 15th August 2003 and the despatch of the interim report to approximately three weeks thereafter. The delay in publication of the audited final results for the year ended 30th June 2002 and the delay in the despatch of the annual report of the Company constitute a breach of paragraphs 8(1) and 11(1) of appendix of 7b of the Listing Rules. The delay in publication of the interim results for the six months ended 31st December 2002 and despatch of the interim report of the Company constitute a breach of paragraphs 10(1) and 11(6) of appendix of 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.

Shareholders and investors should exercise caution when dealing in the Shares.

Unless otherwise defined, terms used in this announcement have the meanings as defined in the circular of the Company dated 31st May 2002 (the "Circular"). Reference is made to the announcement made by the Company on 15th February 2002 and the Circular regarding the Restructuring Proposal and the announcement made by the Company on 17th April 2003 regarding the Scheme.

CURRENT STATUS OF THE SCHEME AND SUBSCRIPTION AGREEMENT

On 16th May 2003, the Subscription Agreement and the Scheme were successfully completed. The Directors anticipate that the relevant cheques and the share certificates for the Shares issued under the Scheme will be despatched to the Scheme Creditors on 19th May 2003.

PUBLIC FLOAT

Upon completion of the Scheme and the Subscription Agreement, the number of Shares held in public hands will fall below the minimum prescribed percentage laid down in Rule 8.08 of the Listing Rules, which is expected to be approximately 18.4%. Accordingly, the Company has applied for a waiver from strict compliance with Rule 8.08 of the Listing Rules until 16th June 2003.

The Company, the Directors and the Subscriber will undertake to Stock Exchange to take appropriate steps to ensure that the number of Shares held by the public shall satisfy the requirements of Rule 8.08 of the Listing Rules on or before 16th June 2003. Such steps may include a further issue of equity and/or the Subscriber seeking for places for shares in the Company through various means including liaising with placing agents so as to enable the Company to meet the requirement of Rule 8.08 of the Listing Rules. The Company will make a further announcement in relation to the public float requirement if and when necessary. **If the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend the trading in the Shares.**

SHAREHOLDING STRUCTURE OF THE COMPANY

The following is the shareholding structure of the Company before and after the completion of the Scheme and the Subscription Agreement

Prior to completion of the Scheme and the Subscription Agreement

	As at the date hereof	
	(million Shares)	%
Mr. Ke		
– through Global Work Management Ltd	30.0	5.3
– through the Subscriber	–	–
Subtotal (1)	30.0	5.3
Scheme Creditors		
– Amsteel Group	–	–
– Others	–	–
Status Worldwide Limited*	90.0	16.0
Existing members of the public	443.9	78.7
Subtotal (2)	533.9	94.7
Total (1+2)	563.9	100.0

Upon completion of the Scheme and the Subscription Agreement

	(million Shares)		%
Mr. Ke			
– through Global Work Management Ltd	30.0	0.5	
– through the Subscriber	3,500.0	56.7	
Subtotal (1)	3,530.0	57.2	
Scheme Creditors			
– Amsteel Group**	1,512.3	24.5	
– Others	598.7	9.7	
Status Worldwide Limited*	90.0	1.5	
Existing members of the public	443.9	7.2	
Subtotal (2)	2,644.9	42.8	
Total (1+2)	6,174.9	100.0	

Notes

* Prior to completion of the Scheme and the Subscription Agreement, Status Worldwide Limited was a substantial shareholder (as defined in the Listing Rules) of the Company as at the date hereof. After the completion of the Scheme and the Subscription Agreement, Status Worldwide Limited is not connected persons (as defined in the Listing Rules) of the Company.

** Upon completion of the Scheme and Subscription Agreement, Amsteel Group will become a substantial shareholder of the Company. In relation to the other Scheme Creditors, the Company has confirmed that save for the Amsteel Group, the other Scheme Creditors will not be connected persons (as defined in the Listing Rules) of the Company.

FURTHER DELAY IN THE PUBLICATION OF THE FINAL AUDITED RESULTS OF THE GROUP

Further to the announcements made on 31st October 2002, 21st November 2002, 31st December 2002, 10th February 2003 and 27th March 2003, 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 30th June 2003 and the despatch of the annual report will also be postponed 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 end of the financial year. The accounting records of the Group could not be finalized as the amount of provisions for certain contingent liabilities (including but not limited to the disputed claims with creditors of the Group) to be made in the accounts could not be fixed until the Scheme has been completed. As the Scheme only became effective recently, the final audited results will have to be further delayed.

DELAY IN THE PUBLICATION OF THE INTERIM RESULTS OF THE GROUP

Due to the incompleteness of the final audited results of the Group of the year ended 30th June 2002, the announcement of the interim results of the Group for the six months ended 31st December 2002 will be postponed to on or before 15th August 2003 and the despatch of the interim report will also be postponed to approximately three weeks thereafter.

BREACHES OF LISTING RULES

The delay in the publication of the audited consolidated final results for the year ended 30th June 2002 and the delay in the despatch of the annual report of the Company constitute a breach of paragraphs 8(1) and 11(1) of appendix 7b of the Listing Rules. The delay in the publication of the interim results for the six months ended 31st December 2002 and despatch of the interim report of the Company constitute a breach of paragraphs 10(1) and 11(6) 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.

Save as previously announced, 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 and interim results of the six months ended 31st December 2002 are released and published.

Shareholders and investors should exercise caution when dealing in the Shares.

By Order of the Board
CIL HOLDINGS LIMITED
Chang Kin Man
Director

Hong Kong, 16th May 2003

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