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COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED
四海國際集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

PLACING OF NEW SHARES

PLACING AGENT



The Board is pleased to announce that the Company and Hantec Capital entered into the Placing Agreement on 1 September 2003, whereby the Company has agreed to appoint Hantec Capital as the placing agent and Hantec Capital has agreed to place not more than 42,000,000 new Shares of HK\$0.10 each in the capital of the Company at a price of HK\$0.15 per Share to not less than six independent private and professional institutional investors on a best effort basis.

The Placing Shares represent approximately 9.3% and 8.5% of the Company's existing and enlarged issued share capital respectively.

Completion of the Placing Agreement is conditional upon the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares.

Upon completion of the Placing, the shareholding of Gold Capital, which is the controlling shareholder of the Company, will be diluted from approximately 50.3% to approximately 46.0% of the enlarged issued share capital of the Company.

The net proceeds of the Placing of approximately HK\$6.1 million are intended to apply to investments which relate to its core businesses.

Trading in the Shares was suspended at the request of the Company with effect from 9:30 a.m. on 1 September 2003 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of Shares with effect from 9:30 a.m. on 2 September 2003.

Placing Agreement dated 1 September 2003

Issuer:

The Company

Placing agent

Hantec Capital, the placing agent of the Placing, save as Mr. Tang Ping Sum, an independent non-executive director of the Company, is an executive director of Hantec Capital, is independent of and not connected with any of the directors, chief executive or substantial shareholders of the Company or its subsidiaries and their respective associates (as defined under the Listing Rules). Mr. Tang Ping Sum has not owned any Shares up to the date of this announcement.

Placees

Hantec Capital undertakes to place not more than 42,000,000 new Shares of HK\$0.10 each in the capital of the Company, on a best effort basis, to not less than six placees who are independent institutional, professional and/or private investors not connected with any of the Directors, chief executives or substantial shareholders of the Company or its subsidiaries and their respective associates. Hantec Capital will receive a commission of 2.5% of the aggregate amount payable by the placees pursuant to the Placing Agreement.

Number of Placing Shares to be placed on a best effort basis:

Not more than 42,000,000 new Shares

The Placing Shares represent approximately 9.3% and 8.5% of the Company's existing and enlarged issued share capital respectively. The Placing Shares, when fully paid, will rank pari passu in all respects with the Shares in issue on the date of completion of the Placing.

Placing Price

HK\$0.15 per Share

The Placing Price represents a discount of approximately 12.3% to the closing price of HK\$0.171 per Share as quoted on the Stock Exchange on 29 August 2003 (being the last trading day prior to the date of the Placing Agreement), a discount of approximately 8.5% to the average closing price of approximately HK\$0.164 per Share as quoted on the Stock Exchange for the last 10 trading days prior to and including 29 August 2003. The Placing Price has been determined based on arm's length negotiations between the Company and Hantec Capital with reference to the prevailing market price of the Shares. The directors of the Company (including the independent non-executive directors of the Company) are of the view that the Placing is in the interests of the Company and the Placing Price is fair and reasonable so far as the shareholders of the Company are concerned.

Condition of the Placing Agreement:

Completion of the Placing Agreement is conditional upon the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares.

Completion

Completion of the Placing is expected to take place no later than two business days after the fulfillment of the above condition which shall be no later than 30 September 2003 or on a day to be mutually agreed in writing by the respective parties.

Reasons for the Placing and the intended use of proceeds

The Board considers that the Placing will strengthen the shareholder and capital bases of the Company. All of the proceeds from the open offer in August 2003 and the issue of the convertible note in May 2003 are placed in banks as deposits and have not been used up to the date hereof as no investment opportunities have been identified. The net proceeds of the Placing of approximately HK\$6.1 million are intended to apply to investments which relate to its core businesses including properties and securities investment. No investment has been identified by the Company up to the date of this announcement. In light of the current improved sentiments for the property market and stock market, the Board considers that the current market conditions may offer favourable investment opportunities. The Board considers that it is important to have sufficient capital ready and a favourable liquidity position so that the

Company will be able to capture suitable investment opportunities when they arise. Upon completion of the Placing, the cash and bank balances of the Company will be approximately HK\$28 million. The Board considers that the terms of the Placing Agreement are fair and reasonable and arrived at after arm's length negotiation.

Mandate to issue the New Shares

The Placing Shares will be issued pursuant to the general mandate granted to the Board at the Company's annual general meeting held on 20 August 2003. No shares have been issued pursuant to the general mandate up to the date of this announcement.

Application for listing

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Dilution of shareholding of the Substantial Shareholder

Upon completion of the Placing, the shareholding of Gold Capital, which is the controlling shareholder of the Company, will be diluted from approximately 50.3% to approximately 46.0% of the enlarged issued share capital of the Company. The shareholding structure of the Company before and after the Placing is as follows:

Name	Number of issued Shares before completion of the Placing	Number of issued Shares immediately after completion of the Placing	Shareholding	
			Existing	Immediately after completion of the Placing
Gold Capital	228,158,000	228,158,000	50.30%	46.04%
Eric Edward Hotung, C.B.E. <i>(Note 1)</i>	29,952,608	29,952,608	6.60%	6.04%
Hotung Investment (China) Limited <i>(Note 1)</i>	16,171,000	16,171,000	3.57%	3.26%
Genesee Company Limited <i>(Note 1)</i>	15,161,000	15,161,000	3.34%	3.06%

Hotung Enterprises Limited				
(Note 2)	1,000,000	1,000,000	0.22%	0.20%
Placees	0	42,000,000	0%	8.47%
Public shareholding	163,157,392	163,157,392	35.97%	32.93%
TOTAL	453,600,000	495,600,000	100%	100%

Note 1: Hotung Investment (China) Limited and Genesee Company Limited are considered concert parties of Eric Edward Hotung, C.B.E. and are not considered public shareholders since the acquisition of the Shares by each of these companies were financed by Eric Edward Hotung, C.B.E..

Note 2: In addition to the 1,000,000 Shares which are beneficially owned by Hotung Enterprises Limited, Hotung Enterprises Limited is also deemed to be interested in the 16,171,000 Shares held by Hotung Investment (China) Limited as 93.75% shareholding in Hotung Investment (China) Limited is controlled by Hotung Enterprises Limited.

General

Trading in the Shares was suspended at the request of the Company with effect from 9:30 a.m. on 1 September 2003 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of Shares with effect from 9:30 a.m. on 2 September 2003.

Definitions

“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of directors of the Company
“Company”	Cosmopolitan International Holdings Limited, a company incorporated in Cayman Islands with limited liability, the securities of which are listed on the Stock Exchange
“Gold Capital”	Gold Capital Investments Limited, a company incorporated in the British Virgin Islands, the controlling shareholder of the Company

“Hantec Capital”	Hantec Capital Limited, a deemed licensed corporation registered under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placing”	the placing of not more than 42,000,000 new Shares of HK\$0.10 each at the Placing Price to not less than six independent private and professional institutional investors on a best effort basis
“Placing Agreement”	the placing agreement entered into between the Company and Hantec Capital on 1 September 2003
“Placing Shares”	not more than 42,000,000 new Shares of HK\$0.10 each
“Placing Price”	HK\$0.15 per Placing Share
“Shares”	share(s) of the Company of HK\$0.10 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars
“%”	per cent.

For and on behalf of the Board
Cosmopolitan International Holdings Limited
Low Kim Teik
Executive Director

Hong Kong, 1 September 2003

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