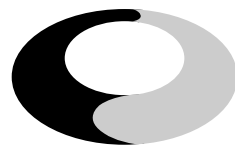


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China United
International Holdings Limited

互聯控股有限公司

(Incorporated in Hong Kong with limited liability)

DISCLOSEABLE TRANSACTION

The Board would like to announce that, as informed by HMI, the subscription of third tranche new HMI Shares was completed on 6th November, 2003. In view of the decrease in net worth of HMI resulting from the dramatic decrease in the price of shares of Radford after the resumption of trading in its shares on 30th October, 2003, Top Result has raised its grave concerns over this situation and the impact that causes on the business prospects of HMI. After a series of negotiations between HMI and Top Result, the number of shares to be issued and allotted to Top Result under the third tranche has been revised to 20,000,000 from 13,320,000 new HMI Shares with the total consideration unchanged so as to avoid the lapse of the subscription of third tranche new HMI Shares which might have impact on the prospects of HMI. Please refer to the section headed “Financial effect on the Company” below for the revised financial effect of the HMI Subscription on the Company.

Reference is made to the announcement of the Company dated 15th October, 2003 and 5th November, 2003 and circular of the Company dated 6th November, 2003 (the “Circular”) regarding the discloseable transaction. Unless otherwise stated, all capitalized terms used herein shall have the same meanings as those defined in the Circular.

The Board would like to announce that, as informed by HMI, the subscription of third tranche new HMI Shares was completed on 6th November, 2003. The delay in and changes to the subscription of third tranche new HMI Shares is mainly due to Top Result considers that the recent suspension of trading in shares of Radford Capital Investment Limited (“Radford”), of which HMI is a substantial shareholder, on the Stock Exchange might have an impact on the net worth of HMI. After the resumption of trading in shares of Radford on 30th October, 2003, the closing prices of its shares as quoted on the Stock Exchange plunged approximately 53.73% and approximately 84.70% respectively from HK\$1.34 per share on 16th October, 2003 (the last trading day before the suspension of trading in its shares) to HK\$0.62 per share on 30th October, 2003 and HK\$0.205 per share on 6th November, 2003. In view of the decrease in net worth of HMI resulting from the dramatic decrease in the price of shares of Radford after the resumption of trading in its shares, Top Result has raised its grave concerns over this situation and the impact that causes on the business prospects of HMI. After a series of negotiations between HMI and Top Result, the number of shares to be issued and allotted to Top Result under the third tranche has been revised to 20,000,000 from 13,320,000 new HMI Shares with the total consideration unchanged so as to avoid the lapse of the

subscription of third tranche new HMI Shares which might have impact on the prospects of HMI. As at the date of this announcement, all new HMI Shares to be issued and allotted to Top Result under the third tranche have been duly issued and the corresponding consideration has been received by HMI.

The subscription price per HMI Share under the HMI Subscription, taking into account of the additional new HMI Shares issued under the third tranche, is approximately HK\$2.1 compared with HK\$2.5 before such adjustment.

SHAREHOLDING STRUCTURE OF HMI

Set out below is the shareholding structure of HMI taking into account of the change in the number of new HMI Shares issued and allotted under the third tranche:

	Existing (after completion of subscription of first and second tranches new HMI Shares)		After completion of subscription of third tranche new HMI Shares	
	Number	%	Number	%
Forever Good	1,000,000	0.52	1,000,000	0.49
Equity Spin	10,000,000	5.32	10,000,000	4.80
Skytop	10,000,000	5.32	10,000,000	4.80
CUSSL	147,133,334	78.21	147,133,334	70.69
Top Result	<u>20,000,000</u>	<u>10.63</u>	<u>40,000,000</u>	<u>19.22</u>
Total	<u>188,133,334</u>	<u>100.00</u>	<u>208,133,334</u>	<u>100.00</u>

FINANCIAL EFFECT ON THE COMPANY

As stated in the Circular, the completion of subscription of first to third tranches new HMI Shares would have resulted in a proforma gain of approximately HK\$7.1 million to the Group. However, due to the change in the number of new HMI Shares issued and allotted to Top Result under the third tranche, the completion of subscription of first to third tranches new HMI Shares will instead result in a proforma loss of approximately HK\$3.6 million to the Group.

The completion of subscription of third tranche new HMI Shares would provide HMI with additional working capital of HK\$33.3 million, the Board considers that the decision of HMI in relation to the completion of subscription of third tranche new HMI Shares is to the benefit of HMI in view of the dramatic decrease in the net worth of HMI.

By order of the Board
China United International Holdings Limited
Chung Wilson
Managing Director

Hong Kong, 7th November, 2003

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