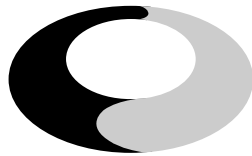

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China United International Holdings Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



China United
International Holdings Limited

互聯控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

**PROPOSALS FOR RENEWAL OF GENERAL MANDATES
AND
REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



GRAND VINCO CAPITAL LIMITED

A letter from the Independent Board Committee is set out on page 9 of this circular and a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 10 to 17 of this circular.

A notice convening the EGM to be held on Monday, 17th January, 2005 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. is set out on pages 21 to 24 of this circular. Whether or not Shareholders are able to attend the EGM, Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the registered office of the Company at 32nd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM should Shareholders so wish.

31st December, 2004

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DEFINITIONS

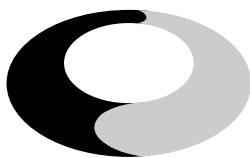
In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“associate”	has the same meaning as ascribed to it in the Listing Rules;
“Board”	the board of directors of the Company;
“Company”	China United International Holdings Limited;
“Directors”	the directors of the Company;
“EGM”	an extraordinary general meeting of the Company to be held at 9:00 a.m. on Monday, 17th January, 2005 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong to approve matters related to the renewal of the General Mandates and refreshment of Scheme Mandate Limit;
“General Mandates”	the New Issue Mandate and Repurchase Mandate;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Grand Vinco”	Grand Vinco Capital Limited, an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the New Issue Mandate;
“Independent Board Committee”	an independent committee of the Board appointed by the Directors to advise the Independent Shareholders in respect of the New Issue Mandate;
“Independent Shareholders”	shareholders of the Company other than Radford;
“Latest Practicable Date”	28th December, 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“New Issue Mandate”	a general mandate proposed to be sought at the EGM to authorise the Directors to issue new Shares up to 20% of the Shares in issue as at the date of the EGM and the extension thereof by a separate resolution to include the Shares repurchased under the Repurchase Mandate on the terms set out in the notice of EGM;

DEFINITIONS

“May 2004 New Issue Mandate”	the mandate granted to the Directors at the extraordinary general meeting of the Company held on 31st May, 2004 to issue and allot new Shares;
“Options”	options to subscribe for Shares under the Share Option Scheme;
“Radford”	Radford Developments Limited, a company incorporated in the British Virgin Islands which is controlled by a trust of which the son of Mr. Chuang Yueheng, Henry, the Chairman of the Company, is currently named as the beneficiary and which is also a substantial shareholder (as that term is defined in the Listing Rules);
“Repurchase Mandate”	a general mandate proposed to be sought at the EGM to authorise the Directors to repurchase Shares up to 10% of the Shares in issue as at the date of the EGM on the terms set out in the notice of EGM;
“Scheme Mandate Limit”	has the meaning ascribed thereto in the section headed “Refreshment of the 10% Scheme Mandate Limit under the Share Option Scheme” in the Letter from the Board in this circular;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Share Option Scheme”	the share option scheme adopted by the Company at the extraordinary general meeting of the Company dated 20th November, 2002;
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company;
“Shareholders”	holders of Shares; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

LETTER FROM THE BOARD



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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

Executive Directors

Mr. Chuang Yueheng, Henry
Mr. Chung Wilson
Mr. Lo Kan Sun
Mr. Wong Ying Seung, Asiong

Registered Office:

32/F., China United Centre
28 Marble Road
Hong Kong

Independent Non-executive Directors

Mr. Lam Ping Cheung
Mr. Ong Peter
Mr. Miu Frank H.

31st December, 2004

*To the Shareholders and, for information only,
holders of Warrants*

Dear Sir/Madam,

**RENEWAL OF GENERAL MANDATES
AND
REFRESHMENT OF SCHEME MANDATE LIMIT**

INTRODUCTION

It was announced in the Company's announcement dated 10th December, 2004 that the Company intends to put forward the proposals for the renewal of the General Mandates and Refreshment of the Scheme Mandate Limit for approval by the Shareholders.

The purpose of this circular is to set out (i) details of the renewal of General Mandates and the refreshment of the Scheme Mandate Limit; (ii) the recommendation from the Independent Board Committee on the renewal of the New Issue Mandate; (iii) the recommendation from Grand Vinco to the Independent Board Committee and the Independent Shareholders on the renewal of the New Issue Mandate; and (iv) a notice convening the EGM at which resolutions will be proposed to the shareholders to consider and, if thought fit, approve the renewal of General Mandates and refreshment of the Scheme Mandate Limit.

LETTER FROM THE BOARD

PROPOSED REPURCHASE MANDATE

At the EGM, it is proposed, by way of an ordinary resolution, that the Directors of the Company be given a general and unconditional mandate to exercise all powers of the Company to repurchase Shares on the Stock Exchange up to a maximum of 10% of the issued share capital of the Company at the date of passing the ordinary resolution.

An explanatory statement containing information relating to the Repurchase Mandate as required pursuant to the Listing Rules, is set out in Appendix I to this circular.

MAY 2004 NEW ISSUE MANDATE

At the extraordinary general meeting held on 31st May, 2004, the same day on which an annual general meeting of the Company was held, the Shareholders approved, amongst other things, an ordinary resolution to grant to the Directors the May 2004 New Issue Mandate to issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution. At the date of the passing of that resolution, there were 452,219,003 Shares in issue and the Directors were granted a mandate to allot and issue up to 90,443,800 new Shares.

As disclosed in the Company's announcement dated 29th November, 2004, the Company acquired 28% of the issued share capital of Wide Asia Shipping S.A. in consideration of the allotment and issue of 72,800,000 Shares at HK\$0.24 per Share, and placed, through Kingston Securities Limited, 17,640,000 Shares at a price of HK\$0.24 per Share, the net proceeds from which of approximately HK\$4 million was to be used as general working capital of the Group. A total of 90,440,000 Shares were issued pursuant to the aforesaid acquisition and placing. The unused portion of the May 2004 New Issue Mandate is 3,800 Shares.

REASONS FOR RENEWAL OF THE GENERAL MANDATE

The Company has not, since the extraordinary general meeting held on 31st May, 2004, renewed the General Mandates. In order to allow flexibility for the Group's future business development and/or fund raising, the Directors propose to seek approval by Independent Shareholders at the EGM for the renewal of the General Mandates. The Company does not have immediate plans to issue the General Mandates for fund raising at present.

PROPOSED NEW ISSUE MANDATE

At the EGM, it is proposed, by way of ordinary resolution, that the Directors of the Company be given a general and unconditional mandate to exercise all powers of the Company to issue new shares in the Company up to 20% of the issued share capital of the Company on the date of the passing of the ordinary resolution. In addition, it is further proposed, by way of a separate ordinary resolution, that the New Issue Mandate be extended so that the Directors of the Company be given a general mandate to issue further shares in the Company equal to the aggregate nominal value of the Shares repurchased by the Company under the Repurchase Mandate.

LETTER FROM THE BOARD

EGM

As at the Latest Practicable Date, the Company did not have any “controlling shareholder” (as such term is defined in the Listing Rules). Pursuant to Rule 13.36(4)(a) of the Listing Rules, the New Issue Mandate requires the approval of the Independent Shareholders at the EGM at which the Directors and their associates are required to abstain from voting in favour of the resolution to be proposed in respect of the New Issue Mandate (given that the Company has no controlling shareholders). As at the Latest Practicable Date, there were 1,369,389,054 Shares in issue and Radford held 270,861,892 Shares (representing approximately 19.78% of the issued share capital of the Company). Radford is controlled by a trust, the sole beneficiary under which, as at the Latest Practicable Date, was the son of Mr. Chuang Yueheng, Henry, the Chairman of the Company. As a result, the trust controls or is entitled to exercise control over the voting rights attached to Radford’s shareholding in the Company. Radford will abstain from voting in favour of and against the resolutions in relation to the New Issue Mandate proposed at the EGM. None of the Directors or their associates (other than Radford) have any shareholding in the Company.

Pursuant to Rule 13.39(4)(b) of the Listing Rules, the vote of the Independent Shareholders in respect of the New Issue Mandate at the EGM will be taken by poll.

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the New Issue Mandate. Grand Vinco has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in this regard.

PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Article 81 of the Company’s Articles of Association sets out the following procedure by which Shareholders may demand a poll.

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

- (i) by the chairman of such meeting;
- (ii) by at least three members present in person or by proxy and entitled to vote at the meeting;
- (iii) by any member or members present in person or by proxy and representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting;
or
- (iv) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right.

LETTER FROM THE BOARD

REFRESHMENT OF THE 10% SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME

The Share Option Scheme was adopted on 20th November, 2002. Pursuant to the terms of the Share Option Scheme, among other things:

- (1) the overall limit on number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time (the “Overall Limit”); and
- (2) the Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the Shares in issue on the day on which dealings in Shares first commence on the Stock Exchange (“Scheme Mandate Limit”).

The Company may renew the Scheme Mandate Limit at any time subject to prior Shareholder’s approval in general meeting and the Stock Exchange granting listing of and permission to deal in the Shares to be issued upon exercise of options pursuant to the refreshment of the Scheme Mandate Limit. However, the total number of Shares which may be issued upon exercise of all Options granted under the Share Option Scheme and any other share option schemes of the Company under the Scheme Mandate Limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of the approval of the Scheme Mandate Limit. In this connection, Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised) will not be counted for purpose of calculating the Scheme Mandate Limit as “refreshed”.

Apart from the Share Option Scheme, the Company has no other share option scheme in issue as at the Latest Practicable Date. No trustee has been appointed for the Share Option Scheme.

The existing Scheme Mandate Limit of the Share Option Scheme is 24,573,467 Shares, being 10% of the Shares of the Company in issue on the day on which dealings in Shares first commence on the Stock Exchange. As at the Latest Practicable Date, Options carrying rights to subscribe for up to a total of 24,573,467 Shares have been granted under the Share Option Scheme, all of which have been exercised.

If the Scheme Mandate Limit is “refreshed”, on the basis of 1,369,389,054 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or purchased by the Company prior to the EGM, the Scheme Mandate Limit will be “refreshed” to 136,938,905 Shares and the Company will be allowed, to grant further Options under the Share Option Scheme carrying the rights to subscribe for a maximum of 136,938,905 Shares (the “Refreshed Limit”).

LETTER FROM THE BOARD

On the basis of 1,369,389,054 Shares in issue as at the Latest Practicable Date, the 30% Overall Limit represents a total of 410,816,716 Shares. Accordingly, the Refreshed Limit arising from the “refreshing” of the Scheme Mandate Limit does not exceed the 30% Overall Limit as at the Latest Practicable Date.

The purpose of the Share Option Scheme is to enable the Company to grant options to participants, including but not limited to Directors, employees and connected persons of the Group or their associates who, in the sole discretion of the Board, have contributed or will contribute to the Group, to provide them with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole. This will be an incentive for the participants of the Share Option Scheme to contribute to the success of the Group. Given the depletion of the existing Scheme Mandate Limit, the Share Option Scheme cannot continue to serve its intended purpose of benefiting the Group and the Shareholders unless the Scheme Mandate Limit is “refreshed”. For these reasons, a resolution will be proposed at the EGM for “refreshing” the Scheme Mandate Limit.

Application will be made to the Stock Exchange for granting the listing of and permission to deal in the Shares to be issued upon exercise of options pursuant to the refreshment of the Scheme Mandate Limit.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 9 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders concerning the New Issue Mandate and the letter from Grand Vinco set out on pages 10 to 17 of this circular containing its advice to the Independent Board Committee and the Independent Shareholders in this regard. The Independent Board Committee, having taken into account the advice of Grand Vinco in relation to the New Issue Mandate, is of the opinion that the New Issue Mandate is in the best interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommended the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to renew the New Issue Mandate.

The Board is of the opinion that the renewal of the Repurchase Mandate and the refreshment of the Scheme Mandate Limit are in the best interests of the Company and Shareholders as a whole and recommends Shareholders to vote in favour of such resolutions at the EGM.

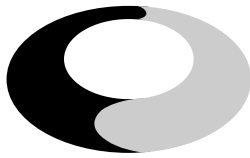
LETTER FROM THE BOARD

GENERAL

The notice of the EGM is set out on pages 21 to page 24 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not Shareholders are able to attend the EGM, Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the registered office of the Company at 32nd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM should Shareholders so wish.

Your attention is also drawn to the additional information set out in Appendix I to this circular.

By Order of the Board
Chung Wilson
Managing Director



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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

31st December, 2004

*To the Shareholders and, for information only,
holders of Warrants*

Dear Sir or Madam,

RENEWAL OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

We have been appointed as members of the Independent Board Committee to advise you in connection with the New Issue Mandate, details of which are set out in the letter from the Board in a circular dated 31st December, 2004 issued by the Company to the Shareholders (the “Circular”), of which this letter forms a part. The terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

Your attention is drawn to the letter from Grand Vinco Capital Limited concerning its advice to us regarding the New Issue Mandate as set out on pages 10 to 17 of the Circular. Having considered the advice given by Grand Vinco Capital Limited and the principal factors and reasons taken into consideration by them in arriving at its advice, we are of the opinion that the New Issue Mandate is in the best interests of the Company and its Shareholders as a whole, and is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to renew the New Issue Mandate.

Yours faithfully

By order of the board of

Independent Board Committee

Lam Ping Cheung, Ong Peter and Miu Frank H.

Independent non-executive Directors

LETTER FROM GRAND VINCO

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from Grand Vinco, the independent financial adviser, dated 31 December 2004 prepared for the purpose of incorporation in this circular:



GRAND VINCO CAPITAL LIMITED

Unit 4909-4910, 49/F., The Center
99 Queen's Road Central, Hong Kong

31 December 2004

The Independent Board Committee and
the Independent Shareholders
China United International Holdings Limited
32nd Floor, China United Centre
28 Marble Road
North Point
Hong Kong

Dear Sirs

REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and Independent Shareholders in connection with the grant of New Issue Mandate as to whether the arrangement is fair and reasonable and in the interest of the Company and Shareholders as a whole, and whether the Independent Board Committee and the Independent Shareholders to vote in favour of to the grant of New Issue Mandate, details of which are set out in the "Letter from the Board" in the circular (the "Circular") issued by the Company to the Shareholders dated 31 December 2004 of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

In accordance with Rule 13.36(4)(a) of the Listing Rules, the New Issue Mandate requires the approval of the Independent Shareholders at which the controlling Shareholder and his associates (or if there are no controlling shareholder, directors (excluding independent non-executive Director) and the chief executive and their respective associates shall abstain from voting in favour at the EGM. As at the Latest Practicable Date, Radford Developments Limited, being the single largest shareholder of the Company and the associate of Mr. Chuang Yueheng, Henry, the Chairman of the Group, held approximately 19.78% of the total issued shares capital and there was no controlling Shareholder (as such terms defined in the Listing Rules). As a result, Radford Developments Limited, which held

LETTER FROM GRAND VINCO

270,861,892 Shares (representing approximately 19.78% of the issued share capital of the Company) as at the Latest Practicable Date, will abstain from voting in favour of the resolutions in relation to the New Issue Mandate proposed at the EGM. Voting of the Independent Shareholders at the EGM shall be taken by poll according to Rule 13.39(4)(b) of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Lam Ping Cheung, Mr. Ong Peter and Mr. Miu Frank H., all being the independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the grant of New Issue Mandate is fair and reasonable so far as the Independent Shareholders are concerned and whether the grant of New Issue Mandate is in the interests of the Company and the Independent Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our view and recommendation to the Independent Board Committee and Independent Shareholders in relation to the grant of New Issue Mandate, we have relied on the accuracy of the information and representations contained in the Circular which have been provided to us by the Directors and which the Directors consider to be complete and relevant. We are not aware that any statements, information and representations made or referred to in the Circular, for which the Directors are solely responsible, were untrue and incorrect in all respects at the time when they were made and continued to be so as at the date of the Circular. We are also not aware that any statements of belief, opinion and intention made by the Directors in the Circular were not reasonably made after due and careful enquiry and are not based on honestly-held opinions. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and we have been advised by the Directors that no material facts have been omitted from the information and representations provided in and referred to in the Circular.

We consider that we have received sufficient information to enable us to reach an informed view and to justify our reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our view and recommendation. We have no reason to suspect that any material information has been withheld by the Company or by the Directors. We have not, however, carried out any independent in-depth investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and Independent Shareholders in relation to the New Issue Mandate, we have considered the principal factors and reasons set out below:

Background

The Company is an investment holding company. The principal activities of its subsidiaries include property investments, investment holding, investment in trading securities and provision of brokerage and financial services. The grant to the Directors of the May 2004 New Issue Mandate was

LETTER FROM GRAND VINCO

approved at the AGM on 31st May 2004 pursuant to Rule 13.36(2)(b) of the Listing Rules and as at the date of approval, there were 452,219,003 Shares in issue and 20% of which, being 90,443,800 Shares were granted to the Directors to allot and issue under the May 2004 New Issue Mandate. During the period from the grant of the May 2004 New Issue Mandate to the Latest Practicable Date, as a result of the issue of 72,800,000 new Shares in acquisition of shares in Wide Asia Shipping S.A. and the placing of 17,640,000 new Shares by Kingston Securities Limited as referred to in the Company's announcement dated 29 November 2004, the May 2004 New Issue Mandate had been utilised as to 90,440,000 Shares and leaving 3,800 Shares unutilised.

The Board proposes to pass an ordinary resolution at the EGM to approve the New Issue Mandate in accordance with Rule 13.36(4)(a) of the Listing Rules to allow flexibility to issue any additional new Shares so that the Directors would be granted to allot and issue not exceeding 20% of the issued share capital of the Company as at the date of the EGM. The New Issue Mandate will be in force when it is approved by the Independent Shareholders at the EGM.

The Group had experienced a difficult and arduous year in 2003 as the outbreak of Severe Acute Respiratory Syndrome ("SARS") and the unprecedented economic downturn in Hong Kong. Notwithstanding that, the Directors are of the view that there are still positive market sentiments in Hong Kong as illustrated by the decreasing unemployment rate and deflation. Certain sectors of the economy, and especially the property market sector, has shown a strong recovery. Hong Kong economy is showing a gradual improvement, with positive factors such as the expanded CEPA arrangements and the improving tourist figures etc. The Group takes a conservative approach in investing and continues to evaluate projects in Hong Kong, Macau, and China. The Directors confirmed that, as at the Latest Practicable Date, the Group is not evaluating any projects other than (i) the initial "Investment Target" of a casino with hotel operations in Macau and joint venture projects in relation to the automobile business in the PRC as referred to in the Company's announcement dated 12 November 2004; and (ii) the Company's investment in Found Macau Investments International Limited as referred to in the Company's announcement dated 10 December 2004.

The Board believes that grant of New Issue Mandate is in the best interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Group's future business development. The Board considers equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group. In appropriate circumstances, the Group will also consider other financing methods such as debt financing or internal cash resources to fund its future business development. There is currently no concrete proposal presented by potential investors for investment in the Shares. The Board is now proposing to seek the approval of Independent Shareholders at the EGM of the New Issue Mandate such that should future funding needs arise or attractive terms for investment in the Shares become available from potential investors, the Board will be able to respond to the market promptly.

Financing needs

As mentioned in the annual report 2003, the turnover of the year ended 31 December 2003 of the Group was approximately HK\$138.9 million, the loss attributable to shareholders was approximately HK\$33.7 million and the loss per share was approximately HK\$0.09. As at 31 December 2003, the Group had net current liabilities of approximately HK\$37.9 million. As at 31 December 2003, the cash and bank balances was HK\$25.2 million.

LETTER FROM GRAND VINCO

According to the unaudited interim report of 2004, the turnover of the Group for the six months ended 30 June 2004 was approximately HK\$44.5 million and the loss attributable to shareholders of approximately HK\$105 million and the loss per share was approximately HK\$0.10. According to the unaudited interim report of 2004, the Group acquired 37.5 million shares in Hennabun Management Inc. (“HMI”) by the issuance of 40 million shares of the Shares, representing a total of 47.44% stake held by the Company in HMI which principal business is engaging in brokerage and financing. The Group recorded loss of HK\$77.6 million attributed from the Company’s sharing of loss attributed by the HMI Group which mainly due to the provisions made for the margin and lending business of HMI and the loss recorded by HMI relating to the subsequent disposal of HMI’s associate. As at 30 June 2004, the Group had a net current liabilities of approximately HK\$146 million of which the bank balances and cash decreased to a low level amounted to approximately HK\$569,000.

The net current liabilities were about HK\$146 million and HK\$38 million as at 30 June 2004 and 31 December 2003 respectively. The current ratio, a common liquidity indicator (as calculated by the current assets over the current liabilities), of the Group accordingly will decrease from 0.78 as at 31 December 2003 to 0.16 as at 30 June 2004, both remained at a low level. In addition, the bank balances and cash decreased from approximately HK\$25.2 million as at 31 December 2003 to approximately HK\$569,000 as at 30 June 2004. It appears that the Group liquidity position was deteriorating and tight.

Though the Group has no intention to change its business scope, i.e. the financing and brokerage business, the Group is considering possible opportunities for diversification of the investments of the Group in China and Macau including but not limited to setting up joint ventures in China and investments into casino, hotel, entertainment related projects as referred to in the announcement on 12 November 2004. In addition, it was mentioned in the interim report 2004 of the Group that the Group will continue to further expand its current businesses. We consider that it is logical for the Directors’ intention to further expand and invest in its current businesses to strike for a higher return for the Shareholders. The Directors are of the view that new projects result in a greater demand for initial cash outlays which could not be generated solely through internal resources. Having taken into account the subsequent net proceeds of approximately HK\$6 million, HK\$4 million and HK\$38 million upon conversion of options granted according to the Share Option Scheme in November 2004, placing of shares (announcement dated 29 November 2004) and the disposal of interest in Wide Asia Shipping S.A. in December 2004 (announcement dated 23 December 2004) respectively, the Group had received cash inflow of approximately HK\$48 million since 30 June 2004. Having considered the Group’s liquidity position and the loan commitment of HK\$50 million by a wholly-owned subsidiary of the Company in relation to the recent announced investment in Found Macau Investments International Limited as referred to in the announcement on 30 November 2004 and the existing tight liquidity position of the Group, we concur with the Directors that the Group needs external financing sources to strengthen the liquidity position.

Save as the abovementioned, the Directors confirmed that there is no concrete investment plan formulated as at the Latest Practicable Date. We note that the Directors cannot perceive whether or not there will be any issue of Shares as at the Latest Practicable Date and the amount thereof and the application of such proceeds. However, the Group will not rule out any future chances to expand through acquisitions. The Directors are of the view that if the potential investors offer attractive terms for investment in the Shares and subject to the then market condition, they may conduct a fund raising exercise through issue of securities of the Group.

Financial flexibility

There are normally, in the board sense, two options to raise external financing, debt and equity. Based on the unaudited interim report of 2004 and the 2003 annual report, the non-current liabilities (long-term interest-bearing borrowings) of the Group was approximately HK\$25.7 million and HK\$30.2 million respectively. However, if we consider also the current portion of interest-bearing borrowings and the convertible notes, the total interest-bearing borrowings would become HK\$187.7 million and HK\$187.3 million respectively for the same periods. The gearing ratio (calculated by the total interest-bearing borrowings divided by shareholder's funds) was remained at a high level of approximately 64% and 62% respectively for the same periods. We consider the gearing ratio of the Group would not be materially affected even if we consider proceeds from the conversion of options in November 2004, placing of shares (announcement dated 29 November 2004) and the disposal of interest in Wide Asia Shipping S.A. (announcement dated 23 December 2004) respectively and the loan commitment of HK\$50 million in relation to the recently announced investment in Found Macau Investment International Limited (announcement dated 10 December 2004). As the Company has high gearing ratio, we are of the view that further debt financing will unavoidably increase the gearing ratio and then the financial risk of the Group.

Furthermore, should the Group raise further debts to finance its operation, the interest costs will exert further pressure to the Group's profitability in the future.

Having considered the gearing position of the Group and the likely interest pressure to the Group from further debt financing, if any, we are of the view that in order to support future investment opportunities, equity financing exercise, through issue of securities by the Company, is more desirable to reduce the gearing and will certainly reduce the financial risk. If the equity is issued for cash, this will also enhance the liquidity of the Group. Therefore, we are of the view that the refreshment of the general mandate provides an option for the Group to raise further funds through equity which should be fair and reasonable and was beneficial to the Shareholders of the Group as a whole.

Pursuant to May 2004 New Issue Mandate, 3,800 Shares could be further allotted and issued. If the New Issue Mandate is approved and assuming that no further Shares are issued/repurchased from the Latest Practicable Date up to and including the date of the EGM, an additional of 273,874,010 Shares or a total of 273,877,810 Shares, representing 20% of the existing 1,369,389,054 issued Shares as at the Latest Practicable Date, could be allotted and issued by the Directors under the New Issue Mandate. In view of the foregoing, we consider that the granting of the New Issue Mandate could enhance the financing flexibility of the Company to raise capital, if and when required, through issue of new Shares under the New Issue Mandate for further development of the Group.

In addition, the Directors consider that if investment opportunities arise, investment decisions may have to be made within a short period of time. The New Issue Mandate would provide the Group with the maximum flexibility as allowed under the Listing Rules to allot and issue new Shares to raise capital as consideration for improving the Group's working capital position to funding such potential acquisitions in the future as and when such opportunities arise. The increased amount of capital which

LETTER FROM GRAND VINCO

may be raised under the New Issue Mandate provides an alternative for financing for the Group when assessing and negotiating potential acquisitions. In this respect, we are of the view that the New Issue Mandate is fair and reasonable and are in the interests of the Company and the Independent Shareholders as a whole.

Other financing alternatives

Other than raising fund by way of issuing equity capital, the Directors will consider other financing methods such as debt financing and funding through internal resources in order to meet its financing requirements for future development of the Group, depending on the then market condition. As advised by the Directors, the New Issue Mandate provides another alternative to finance the Group's expansion and the Directors will use the method which is in the best interest of the Group. We consider that it is a sensible consideration to make reference to the then financial position of the Group in order to decide on the then appropriate financing method for the future development of the Group.

Potential impact to shareholding of the existing shareholders

We set out below a table depicting the shareholding structure (with Substantial Shareholder) of the Company as at the Latest Practicable Date (not taken into account the exercise of the outstanding warrants and convertible notes as at the Latest Practicable Date):

	Number of issued Shares as at the Latest Practicable Date		Number of issued Shares after issue of Shares upon full utilization of the New Issue Mandate	
Radford Developments Limited (Note 1)	270,861,892	19.78%	270,861,892	16.48%
Shares issued under the New Issue Mandate	—	—	273,877,810	16.67%
Public Shareholders				
Heritage International Holdings Limited (Note 2)	134,750,163	9.84%	134,750,163	8.20%
Radford Capital Investment Limited (Note 2)	105,983,363	7.74%	105,983,363	6.45%
Chau Tuk Shun (Note 2)	72,822,000	5.32%	72,822,000	4.43%
Others	784,971,636	57.32%	784,971,636	47.77%
Subtotal	<u>1,098,527,162</u>	<u>80.22%</u>	<u>1,098,527,162</u>	<u>66.85%</u>
Total	<u>1,369,389,054</u>	<u>100.00%</u>	<u>1,643,266,864</u>	<u>100.00%</u>

Notes:

- These shares were held by Radford Developments Limited which is controlled by a trust with the son of Mr. Chuang Yueheng, Henry, the Chairman of the Company, currently named as the beneficiary.
- Heritage International Holdings Limited (Stock Code: 412), Radford Capital Investment Limited (Stock Code: 901) and Chau Tuk Shun are public shareholders, with the meaning of Listing Rules.

LETTER FROM GRAND VINCO

Shareholders should note that the May 2004 New Issue Mandate will be revoked upon approval at the EGM of the New Issue Mandate which will be and continue to be in force until the earliest of (i) the conclusion of the Company's next annual general meeting; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Company's memorandum and articles of association or any applicable law to be held; and (iii) the revocation or variation of the authority given under the relevant resolution to be proposed at the EGM by ordinary resolution of the Shareholders in general meeting. Such duration is in compliance with Rule 13.36(3) of the Listing Rules.

Upon full utilization of the New Issue Mandate, 273,877,810 Shares will be issued, representing 20% and approximately 16.67% of the existing issued share capital and the enlarged issued share capital of the Company respectively.

The aggregate shareholding of the existing public Shareholders will decrease from approximately 80.22% to approximately 66.85% after Shares to be issued upon full utilization of the New Issue Mandate assuming the Shares issued under New Issue Mandate are not issued to existing public Shareholders. The existing public Shareholders will have a potential maximum dilution of approximately 13.37% after Shares to be issued upon full utilization of the New Issue Mandate. Taking into account that the New Issue Mandate will increase the amount of capital which may be raised under the New Issue Mandate and provides more options of financing to the Group for further development of its business as well as in other potential future acquisitions as and when such opportunities arise and the fact that the shareholding of all the Shareholders will be diluted to the same extent upon any utilization of the New Issue Mandate, we consider such dilution or potential dilution to shareholding of the Independent Shareholders acceptable.

Terms of the New Issue Mandate

Pursuant to the Listing Rules, the Company will be required to seek prior consent of Shareholders for any allotment, issue or grant of Shares or securities convertible into Shares or other rights to subscribe for Shares or such convertible securities, unless such allotment, issue or grant falls under the circumstances provided under Rule 13.36(2) of the Listing Rules, including certain rights issue and open offer (subject to other Listing Rules requirements on the offering size and structure). Pursuant to Rule 13.36(2)(b) of the Listing Rules, an ordinary resolution will be proposed at the EGM to obtain approval from the Shareholders to refresh the May 2004 New Issue Mandate so that the Directors will be entitled to exercise the powers of the Company to allot and issue Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the EGM. The approval of the New Issue Mandate by the Shareholders is unconditional. The Directors (excluding independent non-executive Director) and the chief executive and their respective associates shall abstain from voting in favour at the EGM.

LETTER FROM GRAND VINCO

CONCLUSION

Having taken into consideration of the above principal factors and reasons, in particular:

- (i) background of the New Issue Mandate;
- (ii) the Group's financing needs;
- (iii) enhancement of financial flexibility to the Group; and
- (iv) acceptable potential dilution to shareholdings of the Independent Shareholders,

we are of the view that the grant of the New Issue Mandate is fair and reasonable, so far as the Independent Shareholders are concerned and that the New Issue Mandate is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committee and the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the New Issue Mandate.

Yours faithfully
For and on behalf of
Grand Vinco Capital Limited
Alister Chung
Managing Director

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information in relation to the Repurchase Mandate for your consideration.

SHARE CAPITAL

As at the Latest Practicable Date, there were 1,369,389,054 Shares in issue. Subject to the passing of the relevant ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the date of the EGM, the Company would be authorised to repurchase up to a maximum of 136,938,905 Shares.

REASONS FOR THE REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders to have general authority from the Shareholders to enable the Directors to repurchase Shares on the Stock Exchange. Such repurchase may, depending on marketing conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and its Shareholders.

FUNDING OF THE REPURCHASES

It is proposed that repurchases of securities under the Repurchase Mandate would be financed from distributable profits or the proceeds of a fresh issue of shares. In repurchasing the securities, the Company may only apply funds legally available for such purpose in accordance with the memorandum and articles of association of the Company and the laws of Hong Kong.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited accounts of the Company for the year ended 31st December, 2003), in the event that the proposed Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2004		
January	0.502	0.345
February	0.709	0.400
March	0.727	0.564
April	0.709	0.618
May	0.745	0.436
June	0.691	0.364
July	0.382	0.295
August	0.336	0.241
September	0.318	0.136
October	0.270	0.191
November	0.350	0.190
December (up to the Latest Practicable Date)	0.240	0.199

DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any of the Shares to the Company.

No connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell any of the Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules and the laws of Hong Kong.

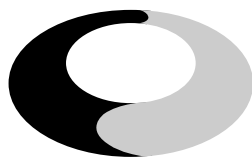
EFFECT OF THE TAKEOVERS CODE

If a shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors exercising the powers of the Company to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purpose of the Hong Kong Codes on Takeovers and Mergers and Share Repurchases ("Takeovers Code"). Accordingly, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Radford held 270,861,892 Shares, representing approximately 19.78% of the issued share capital of the Company and will hold approximately 21.98% of the issued share capital of the Company in the event the Repurchase Mandate is exercised in full. Assuming that there are no alterations to the existing shareholdings in the Company, so far as the Directors is aware, the exercise of the Repurchase Mandate in full will not give rise to any obligation on any Shareholder to make a mandatory offer under Rule 26 and 32 of the Takeovers Code in accordance with the terms of the ordinary resolution to be proposed at the EGM.

SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of the Shares (whether on the Stock Exchange or otherwise) has been made by the Company during the six months preceding the Latest Practicable Date.



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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of China United International Holdings Limited (the “Company”) will be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. on Monday, 17th January, 2005 for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

1. **“THAT:**

- (A) subject to paragraph (C) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (B) the Directors be and are authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs 1(A) and (B), otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

(D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable law of Hong Kong to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

2. **“THAT:**

- (A) subject to paragraph (C) below, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase securities in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to purchase such securities are subject to and in accordance with all applicable laws, be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph (A) shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company on behalf of the Company during the Relevant Period to procure the Company to purchase its securities at a price determined by the Directors;
- (C) the aggregate nominal amount of securities in the capital of the Company purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph (A) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution and the said approval shall be limited/accordingly; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

(D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable law of Hong Kong to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

3. “**THAT** conditional upon the passing of the ordinary resolutions numbered 1 and 2 in the notice convening the meeting dated 31st December, 2004, the aggregate nominal amount of the shares in the capital of the Company which are purchased by the Company pursuant to and in accordance with the said resolution numbered (2) shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the ordinary resolution numbered (1) set out in the notice of the meeting dated 31st December, 2004.”
4. “**THAT** the existing scheme mandate limit in respect of the granting of options to subscribe for shares in the Company (“Shares”) under the share option scheme adopted by the Company on 20th November, 2002 (the “Share Option Scheme”) be refreshed and renewed provided that the total number of Shares which may be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10% of the Shares of the Company in issue as at the date of passing this resolution (the “Refreshed Limit”) and that the Directors of the Company be and are hereby authorized, subject to compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

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

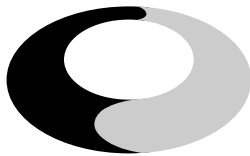
Dated 31st December, 2004

Registered Office:
32nd Floor, China United Centre
No. 28 Marble Road
North Point
Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A form of proxy to be used for the meeting is enclosed.
2. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
3. The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company at 32nd Floor, China United Centre, No. 28 Marble Road, North Point, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
5. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
6. As at the date of this notice, 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.



China United
International Holdings Limited

互聯控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

Form of proxy for use at the Extraordinary General Meeting

I/We¹ _____

of _____

being the registered holder(s) of² _____

shares of HK\$0.10 each in the capital of China United International Holdings Limited (the "Company"), HEREBY APPOINT³ the chairman of the extraordinary general meeting, or _____

of _____

as my/our proxy to attend for me/us at the extraordinary general meeting (and at any adjournment thereof) to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. on Monday, 17th January, 2005 for the purpose of considering and, if thought fit, passing the ordinary resolution as set out in the notice convening the said meeting and at such meeting (or at any adjournment thereof) to vote for me/us and in my/our name(s) in respect of the said resolution as hereunder indicated.

	FOR ⁴	AGAINST ⁴
ORDINARY RESOLUTION 1		
ORDINARY RESOLUTION 2		
ORDINARY RESOLUTION 3		
ORDINARY RESOLUTION 4		

Signature(s)⁶ _____

Date _____

NOTES:

- Full name(s) and address(es) must be inserted in **BLOCK CAPITALS**.
- Please insert the number of shares registered in your name(s) to which the proxy relates. If no number is inserted, this form of proxy will be deemed to relate to all the shares of the Company registered in your name(s).
- If any proxy other than the chairman is preferred, please strike out "the chairman of the extraordinary general meeting, or" and insert the name and address of the proxy desired in the space provided. A member may appoint one or more proxies to attend and vote in his stead. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALLED BY THE PERSON(S) WHO SIGN(S) IT.**
- IMPORTANT: IF YOU WISH TO VOTE FOR THE RESOLUTION, TICK THE BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST THE RESOLUTION, TICK THE BOX MARKED "AGAINST"**. Failure to tick a box will entitle your proxy to cast your vote or abstain at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the said meeting other than that referred to in the notice convening the meeting.
- Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
- The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company at 32nd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.