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GOLD WO INTERNATIONAL HOLDINGS LIMITED **(金禾國際控股有限公司)***

(Incorporated in Bermuda with limited liability)

PROPOSED CONSOLIDATION OF SHARES

It is proposed to consolidate 20 existing issued and unissued shares of HK\$0.001 each of the Company into one share of HK\$0.02. The existing board lot of 10,000 Shares for trading on the Stock Exchange will remain unchanged upon the Consolidation taking effect.

It is expected that the Consolidation will become effective on 3rd September, 2002 subject to fulfilment of the conditions set out below.

Proposed shares consolidation

The board of directors of Gold Wo International Holdings Limited (the “Company”) announces that it is proposed to consolidate 20 existing issued and unissued shares of HK\$0.001 each of the Company (“Shares”) into one share of HK\$0.02 (“New Share”) in view of the Shares have been traded at HK\$0.01 on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for some time recently (the “Consolidation”). The Consolidation will reduce the handling cost of the Company and the transaction cost of the shareholders.

The existing authorised share capital of the Company is HK\$100,000,000 divided into 100,000,000,000 Shares. As at the date of this announcement, there are 6,480,000,000 fully paid issued Shares and there is no outstanding warrants, share options or securities convertible into Shares. Assuming no further new Share will be issued up to the Consolidation taking effect, the Company will have 324,000,000 issued New Shares and 4,676,000,000 unissued New Shares immediately after the Consolidation. The New Shares will rank pari passu in all respects with each others.

The existing board lot of 10,000 Shares for trading on the Stock Exchange will remain unchanged upon the Consolidation taking effect.

Fractions of New Shares arising from and upon the Consolidation will be aggregated and sold for the benefit of the Company.

Conditions of the Consolidation

The Consolidation is conditional on the following conditions (the “Conditions”):

- (a) the approval of the shareholders of the Company at a special general meeting; and
- (b) the Listing Committee of the Stock Exchange granting a listing of and permission to deal in the New Shares.

The Company has been advised by its lawyer advising on Bermuda law that no governmental approval is required to be obtained in Bermuda for the Consolidation.

Assuming the Conditions will be fulfilled on 2nd September, 2002, being the date on which a special general meeting is expected to be held to approve the Consolidation, the Consolidation will become effective on 3rd September, 2002.

Effect of the Consolidation

The Consolidation will cause no impact on the business, operation or financial position of the Company and its subsidiaries nor the Consolidation will change the respective shareholdings of the shareholders.

Listing

Application will be made to the Stock Exchange for the listing of and permission to deal in the New Shares.

Exchange of certificates

Subject to fulfilment of the Conditions and the Consolidation taking effect, it is expected that as from 3rd September, 2002, new share certificates will be issued in board lots of 10,000 New Shares. Existing share certificates can be submitted to the Company’s Hong Kong branch share registrar, Tengis Limited at 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong, for exchange for new share certificates free of charge during the period from 3rd September, 2002 to 4th November, 2002.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of New Shares as a result of the Consolidation, the Company has appointed Ever-Long Securities Company Limited (the “Agent”) to provide a “matching service” to those shareholders who wish to top-up or sell their holding of odd lots of New Shares.

The Agent will provide the service to match the sale and purchase of odd lots of New Shares during the period from 3rd September, 2002 to 9th October, 2002, both dates inclusive. Holders of New Shares in odd lots who wish to take advantage of this facility either to dispose of or top up their odd lots to a board lot of 10,000 New Shares may directly or through their brokers contact the Agent at 18th Floor, Dah Sing Life Building, 99-105 Des Voeux Road, Central, Hong Kong and at the telephone number (852) 2581 0668 during such period. Shareholders should note that successful matching of the sale and purchase of odd lots of New Shares is not guaranteed.

Shareholders are recommended to consult their professional advisers if they are in any doubt about the facility described above.

Expected timetable

2002

Despatch of circular	16th August
Latest time for lodging forms of proxy for the special general meeting	10:15 a.m. of 31st August
Special general meeting	10:15 a.m. of 2nd September
Effective date of the Consolidation	3rd September
Closure of original counter for trading the existing Shares (in the form of existing share certificates) in board lot of 10,000 Shares temporarily	9:30 a.m. of 3rd September
Commencement of trading in shares of the Company in board lot of 500 New Shares in temporary counter (in the form of existing share certificates)	9:30 a.m. of 3rd September
Commencement of trading in shares of the Company in board lot of 10,000 New Shares in original counter (in the form of new share certificates)	9:30 a.m. of 17th September
Commencement of parallel trading of New Shares in the forms of existing share certificates and new share certificates	9:30 a.m. of 17th September
Cessation of parallel trading of New Shares in the form of existing share certificates and new share certificates	4:00 p.m. of 9th October
Closure of temporary counter for trading in shares of the Company (in the form of exiting share certificates) in board lot of 500 New Shares	4:00 p.m. of 9th October
Free exchange for new share certificates	from 3rd September to 4th November

A circular relating to the Consolidation, and incorporating a notice convening a special general meeting of the Company to approve the Consolidation will be despatched to the shareholders of the Company as soon as practicable.

By Order of the Board
Fu Chu Kan
Chairman

Hong Kong, 26th July, 2002

* *For identification only*

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