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## **ZHONG HUA INTERNATIONAL HOLDINGS LIMITED**

**中華國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1064)**

### **TRADING ARRANGEMENTS FOR THE SHARE CONSOLIDATION AND RESUMPTION OF TRADING**

Trading in the securities of the Company on the Stock Exchange was suspended from 9:30 a.m. on 28th April, 2006 pending the release of the Final Results. The Final Results were released on 5th July, 2006 and will be published in newspapers on 6th July, 2006. In order to implement the trading arrangements for the Share Consolidation, the Company has applied to the Stock Exchange for the resumption of trading in its securities, in the form of Consolidated Shares, on the Stock Exchange with effect from 9:30 a.m. on Friday, 7th July, 2006. Set out below is the revised tentative timetable for the implementation of the associated trading arrangements.

Reference is made to (a) the announcement of Zhong Hua International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) dated 29th March, 2006 and the circular (the “Circular”) to shareholders of the Company dated 10th April, 2006 in relation to, among other things, the Share Consolidation and the associated trading arrangements for the share consolidation and free exchange of share certificates; and (b) the announcements (the “Announcements”) of the Company dated 3rd May, 2006 and 21st June, 2006 relating to, among other things, the delay in publication of the annual report and the final results (the “Final Results”) of the Group for the year ended 31st December, 2005, and the extension of the trading arrangements for the share consolidation and free exchange of share certificates.

Terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

#### **RESUMPTION OF TRADING**

At the special general meeting of the Company held on 27th April, 2006, Shareholders approved the Share Consolidation whereby every ten ordinary shares of HK\$0.02 each in the capital of the Company then in existence were consolidated into one ordinary share of HK\$0.20 each with effect from 4:00 p.m. on 27th April, 2006. As set out in the Announcements, trading in the securities of the Company was suspended with effect from 9:30 a.m. on 28th April, 2006 pending the release of the Final Results. In view of the suspension of trading in the securities on the Stock Exchange as a result of delay in release of the Final Results, the associated trading arrangements for the Consolidated Shares following the Share Consolidation and the free exchange of share certificates have been extended.

The Final Results were released on 5th July, 2006 and will be published in newspapers on 6th July, 2006. In order to implement the trading arrangements for the Share Consolidation, the Company has applied to the Stock Exchange for the resumption of trading in its securities, in the form of Consolidated Shares, on the Stock Exchange with effect from 9:30 a.m. on Friday, 7th July, 2006.

**REVISED TENTATIVE TIMETABLE RELATING TO THE TRADING ARRANGEMENTS FOR THE SHARE CONSOLIDATION AND FREE EXCHANGE OF SHARE CERTIFICATES**

Set out below is the revised tentative timetable for the trading arrangements for the Consolidated Shares:

**2006**  
*(Hong Kong time)*

Existing counter for trading in Existing Shares  
in board lots of 10,000 Existing Shares had closed .....9:30 a.m. on Friday, 28th April

Temporary counter for trading in Consolidated Shares  
in board lots of 1,000 Consolidated Shares  
(in the form of existing PURPLE share certificates) had opened .....9:30 a.m. on Friday, 28th April

Free exchange of existing PURPLE share certificates for  
new GREEN share certificates had commenced ..... Friday, 28th April

Trading in the securities of the Company, in the form of  
Consolidated Shares, on the Stock Exchange resumes ..... 9:30 a.m. on Friday, 7th July

Existing counter for trading in Consolidated Shares  
in board lots of 10,000 Consolidated Shares  
(in the form of new GREEN share certificates) re-opens ..... 9:30 a.m. on Friday, 7th July

Parallel trading in Consolidated Shares (in the form of new GREEN and  
existing PURPLE share certificates) commences ..... 9:30 a.m. on Friday, 7th July

Designated broker starts to stand in the market to  
provide matching services for odd lots of shares (*Note*) ..... Friday, 7th July

Parallel trading in Consolidated Shares (in the form of new GREEN and  
existing PURPLE share certificates) ends ..... 4:00 p.m. on Friday, 28th July

Temporary counter for trading in Consolidated Shares  
in board lots of 1,000 Consolidated Shares  
(in the form of existing PURPLE share certificates) closes ..... 4:00 p.m. on Friday, 28th July

Designated broker standing in the market to provide  
matching services for odd lots of shares ends (*Note*) ..... Friday, 28th July

Free exchange of existing PURPLE share certificates for  
new GREEN share certificates ends ..... Thursday, 3rd August

*Note:*  
Details of the matching services for odd-lot trading in the Consolidated Shares are set out in the last paragraph of the section headed "Trading Arrangements" below.

## TRADING ARRANGEMENTS

Consequent to Share Consolidation having become effective at 4:00 p.m. on Thursday, 27th April, 2006, all existing purple share certificates for any number of Existing Shares in issue immediately before the effective date of the Share Consolidation are deemed to be share certificates, and are effective as documents of title, for one-tenth of that number of Existing Shares. New share certificates (which will be green in colour) will be issued for Consolidated Shares. Upon the resumption of trading in the Consolidated Shares on the Stock Exchange on 7th July, 2006, parallel trading arrangements will be established on the Stock Exchange for dealings in Consolidated Shares in the form of the existing purple share certificates and in the form of the new green share certificates. The trading arrangements for dealings in Consolidated Shares are set out as follows:

- (i) with effect from 9:30 a.m. on Friday, 28th April, 2006, the original counter for trading in Existing Shares in board lot of 10,000 Existing Shares (stock code: 1064) closed temporarily. A temporary counter for trading in Consolidated Shares represented by existing purple share certificates in board lot of 1,000 Consolidated Shares (stock code: 2951) was established. Every existing share certificate for whatever number of Existing Shares will be deemed to be a share certificate, and will be effective as a document of title valid for settlement and delivery for trading transacted from 9:30 a.m. on Friday, 7th July, 2006 to 4:00 p.m. on Friday, 28th July, 2006 for Consolidated Shares, in the amount equivalent to one-tenth of that number of Existing Shares. The existing purple share certificates for Existing Shares can only be traded at this temporary counter (stock code: 2951);
- (ii) with effect from 9:30 a.m. on Friday, 7th July, 2006, the original counter (stock code: 1064) will re-open for trading in Consolidated Shares in board lot of 10,000 Consolidated Shares. Only new green share certificates for Consolidated Shares can be traded at this counter;
- (iii) with effect from 9:30 a.m. on Friday, 7th July, 2006 to 4:00 p.m. on Friday, 28th July, 2006 (both dates inclusive), there will be parallel trading at the counters mentioned in (i) and (ii) above; and
- (iv) the temporary counter for trading in Consolidated Shares represented by the existing purple share certificates in board lot of 1,000 Consolidated Shares (stock code: 2951) will be removed after the close of trading on Friday, 28th July, 2006. Thereafter, trading will only be in Consolidated Shares represented by new green share certificates in board lot of 10,000 Consolidated Shares and the existing purple share certificates for Existing Shares will cease to be marketable and will not be acceptable for dealing and settlement purposes.

Shareholders may, during Friday, 28th April, 2006 to Thursday, 3rd August, 2006 (both dates inclusive) submit existing purple share certificates for Existing Shares to Tengis Limited, being the branch share registrar and transfer office of the Company in Hong Kong, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in exchange, at the expense of the Company, for new green share certificates for Consolidated Shares (on the basis of ten Existing Shares for one Consolidated Share). Thereafter, certificates for Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each share certificate for Existing Shares cancelled or each new share certificate issued for Consolidated Shares, whichever number of certificates cancelled/issued is higher. Nevertheless, share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for certificates for Consolidated Shares at any time.

It is expected that new share certificates for Consolidated Share will be available for collection within ten Business Days after the submission of the existing share certificates for Existing Shares to Tengis Limited for exchange. Unless otherwise instructed, new share certificates will be issued in board lot of 10,000 Consolidated Shares each.

Odd lots of Consolidated Shares may arise as a result of the Share Consolidation. In order to alleviate the difficulties of Shareholders in trading odd lots of Consolidated Shares, the Company has appointed Quam Securities Company Limited to act as the agent to match, on a best-effort basis, the sale and purchase of odd lots of Consolidated Shares arising from the Share Consolidation from Friday, 7th July, 2006 up to and including Friday, 28th July, 2006. Such arrangement is to facilitate the Shareholders who wish to dispose of or top up their holdings of odd lots of Consolidated Shares. Shareholders who wish to take advantage of this facility may contact Ms. Yu So Man of Quam Securities Company Limited at 32nd Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong (Tel: (852) 2847-2280) during the aforesaid period. Shareholders should note that successful matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed. Shareholders are recommended to consult their licensed securities dealers, bank managers, solicitors, professional accountants or other professional advisers if they are in doubt about the facility described above.

By Order of the Board  
**ZHONG HUA INTERNATIONAL HOLDINGS LIMITED**  
**Ho Kam Hung**  
*Executive Director*

Hong Kong, 5th July, 2006

*As at the date of this announcement, the board of the directors comprises: (i) Messrs. Ho Tsam Hung, Ho Kam Hung and Yang Jia Jian as executive directors; (ii) Ms. Lam Kuo, Ms. Yeung Mo Sheung, Ann and Mr. Young Kwok Sui as non-executive directors; and (iii) Mr. Wong Ting Kon, Mr. Lawrence K. Tam and Ms. Wong Miu Ting, Ivy as independent non-executive directors.*

\* *For identification purpose only*