
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 licensed securities dealer 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 Zhong Hua 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, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

RENEWAL OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

REFRESHMENT OF THE EXISTING LIMIT ON THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME

RE-ELECTION OF DIRECTORS

AND

NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of Zhong Hua International Holdings Limited to be held at 4:00 p.m. on Wednesday, 30 August 2006 at Conference Room, 1st Floor, The Star Hotel, 89 Lin He Xi Road, Tianhe, Guangzhou, China is set out on pages 16 to 20 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the annual general meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting, or any adjournment thereof, should you so wish.

* For identification purpose only

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DEFINITIONS

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

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|---------------------------|--|
| “AGM” | the annual general meeting of the Company to be held at 4:00 p.m. on Wednesday, 30 August 2006 at Conference Room, 1st Floor, The Star Hotel, 89 Lin He Xi Road, Tianhe, Guangzhou, China; |
| “AGM Notice” | the notice convening the AGM set out on pages 16 to 20 of this circular; |
| “associate” | the meaning ascribed to it in the Listing Rules; |
| “Board” | the board of Directors; |
| “Bye-Laws” | the Bye-Laws of the Company; |
| “Company” | Zhong Hua International Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange; |
| “connected person” | the meaning ascribed to it in the Listing Rules; |
| “Directors” | the directors of the Company; |
| “Group” | the Company and its subsidiaries; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China; |
| “Issue Mandate” | a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise all powers of the Company to allot and issue Shares; |
| “Latest Practicable Date” | 12 July 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Old Scheme” | means the share option scheme adopted by the Company on 19 September 1997 and terminated on 11 June 2002; |

DEFINITIONS

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|-----------------------|---|
| “Repurchase Mandate” | a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise all powers of the Company to repurchase Shares; |
| “SFO” | the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong); |
| “Share(s)” | ordinary shares of HK\$0.20 each in the capital of the Company; |
| “Shareholder(s)” | holder(s) of (a) Share(s); |
| “Share Consolidation” | the consolidation of 10 issued and unissued ordinary shares of the Company of HK\$0.02 each into one ordinary share of HK\$0.20 each with effect from 28 April 2006 pursuant to an ordinary resolution passed at a special general meeting of the Company on 27 April 2006; |
| “Share Option Scheme” | the share option scheme adopted by the Company pursuant to an ordinary resolution of the Company passed on 11 June 2002; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Takeovers Code” | The Hong Kong Code on Takeovers and Mergers; and |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong. |



ZHONG HUA INTERNATIONAL HOLDINGS LIMITED

中華國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1064)

Executive Directors:

Ho Tsam Hung (*Vice Chairman*)
Ho Kam Hung (*Managing Director*)
Yang Jia Jian

Non-executive Directors:

Lam Kuo (*Chairman*)
Yeung Mo Sheung, Ann
Young Kwok Sui

Independent Non-executive Directors:

Wong Ting Kon
Lawrence K. Tam
Wong Miu Ting, Ivy

*Head office and principal place
of business in Hong Kong:*

Unit 6307, 63rd Floor
The Center
99 Queen's Road Central
Hong Kong

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

14 July 2006

To the Shareholders

Dear Sir or Madam,

**RENEWAL OF GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES
REFRESHMENT OF THE EXISTING LIMIT ON THE GRANT OF OPTIONS
UNDER THE SHARE OPTION SCHEME
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to: (i) provide you with details of the proposed Issue Mandate and the proposed Repurchase Mandate; (ii) set out an explanatory statement regarding the Repurchase Mandate; (iii) provide you with details of the proposed refreshment of the Existing Limit (as defined below) on the grant of options under the Share Option Scheme; (iv) provide you with details of re-election of directors; and (v) give you notice of the AGM.

* For identification purpose only

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Ordinary resolutions will be proposed at the AGM to give to the Directors new general mandates:

- (i) to allot, issue and otherwise deal with new Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution; and
- (ii) to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution.

In addition, a separate ordinary resolution will also be proposed at the AGM to add to the Issue Mandate those Shares repurchased by the Company pursuant to the Repurchase Mandate (if granted to the Directors at the AGM). The Directors do not have any present intention to exercise the Issue Mandate or the Repurchase Mandate (if granted at the AGM).

An explanatory statement containing information regarding the Repurchase Mandate is set out in Appendix I to this circular.

SHARE OPTION SCHEME – REFRESHMENT OF EXISTING LIMIT

At the annual general meeting held on 11 June 2002, an ordinary resolution was passed by the Shareholders for the termination of the Old Scheme and the adoption of the Share Option Scheme.

On 11 June 2002, the Listing Committee of the Stock Exchange approved the listing of and permission to deal in up to 298,001,673 new shares of HK\$0.02 each (prior to the Share Consolidation, representing 29,800,167 shares of HK\$0.20 each upon the effect of Share Consolidation), representing 10% of the shares of the Company in issue as at the date of approval of the Share Option Scheme on 11 June 2002, which may be issued upon exercise of the options granted under the Share Option Scheme (the “Existing Limit”).

Under the rules of the Share Option Scheme, among other things:

- (1) the Existing Limit may be renewed at any time subject to prior Shareholders’ approval but in any event shall not exceed 10% of the issued share capital of the Company as at the date of approval of the renewal of the Existing Limit. In this connection, options previously granted under the Share Option Scheme or any other share option scheme(s) of the Company (including those outstanding, cancelled, lapsed or exercised) will not be counted for purpose of calculating the refreshed Existing Limit;

LETTER FROM THE BOARD

- (2) unless approved by the Shareholders in a general meeting, the maximum number of Shares in respect of which options may be granted to a specifically identified single grantee under the Share Option Scheme shall not (when aggregated with any Shares subject to any other share options scheme(s) of the Company) in any 12-month period exceed 1% of the Shares in issue (“Individual Limit”); and
- (3) the maximum number of Shares in respect of which options may be granted to the grantees under the Share Option Scheme and other share option scheme(s) of the Company shall not exceed 30% in nominal amount of the issued share capital of the Company from time to time (“Overall Limit”).

Subsequent to the adoption of the Share Option Scheme, the Existing Limit has not been refreshed.

As at the Latest Practicable Date, options carrying the rights to subscribe for up to a total of 29,800,000 Shares have been granted under the Share Option Scheme, of which 29,000,000 options have been exercised and options carrying the rights to subscribe for up to a total of 800,000 Shares remained outstanding under the Share Option Scheme. Apart from the Share Option Scheme and the Old Scheme, the Company has no other share option scheme. On the basis of 566,241,300 Shares in issue as at the Latest Practicable Date, the maximum number of Shares in respect of which options may be granted to the grantees under the Share Option Scheme and the Old Scheme does not exceed the 30% Overall Limit as at the Latest Practicable Date.

The Directors consider that the Company should renew the Existing Limit so that the Company can have more flexibility in providing incentives to participants by granting options to them, such participants being, amongst others, any directors (including executive, non-executive and independent non-executive directors) and employees of the Group and any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group. If the refreshment of the Existing Limit is approved at the AGM on the basis of 566,241,300 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased by the Company after the Latest Practicable Date and up to the date of the AGM, the Company will be able to grant further options under the Share Option Scheme and other share option schemes carrying the rights to subscribe for a maximum of 56,624,130 Shares, representing 10% of the Shares in issue as at the date of the AGM. The exact number of Shares in issue will be announced at the AGM.

The refreshment of the Existing Limit is conditional upon:

- (a) the Shareholders’ approval at the AGM to refresh the Existing Limit in accordance with the Listing Rules; and
- (b) the Stock Exchange granting approval for the listing of and permission to deal in the new Shares to be issued pursuant to the exercise of any options granted under the refreshed Existing Limit.

LETTER FROM THE BOARD

Application will be made to the Stock Exchange for the listing of and permission to deal in Shares representing 10% of the Shares in issue as at the date of the AGM approving the refreshment of the Existing Limit.

The Directors consider that the refreshment of the Existing Limit is in the interests of the Group and the Shareholders as a whole as it enables the Company to reward and motivate its employees. The refreshment of the Existing Limit is in line with the purpose of the Share Option Scheme. For these reasons, the Directors will propose the passing of an ordinary resolution at the AGM for “refreshing” the Existing Limit.

RE-ELECTION OF DIRECTORS

At the AGM, ordinary resolutions will be put forward to the Shareholders for the re-election of Mr. Ho Tsam Hung and Mr. Yang Jia Jian as executive Directors, Ms. Yeung Mo Sheung, Ann and Ms. Lam Kuo as non-executive Directors, and Mr. Wong Ting Kon, Mr. Lawrence K. Tam and Ms. Wong Miu Ting, Ivy as independent non-executive Directors, in accordance with the provisions of Bye-laws of the Company.

Details of directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular. Save for the matters disclosed therein in relation to each of Mr. Ho Tsam Hung, Mr. Yang Jia Jian, Ms. Yeung Mo Sheung, Ann, Ms. Lam Kuo, Mr. Wong Ting Kon, Mr. Lawrence K. Tam and Ms. Wong Miu Ting, Ivy, there is no information that is required to be disclosed pursuant to paragraph (h) to (v) of Rule 13.51(2) of the Listing Rules, and there are no other matters that need to be brought to the Shareholders’ attention regarding their re-election.

RECOMMENDATION

The Directors consider that the granting of the Issue Mandate and the Repurchase Mandate and the refreshment of the Existing Limit on the grant of options under the Share Option Scheme are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the relevant resolutions at the AGM.

VOTING BY POLL

Pursuant to Bye-Law 66, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded: (i) by the chairman of such meeting; or (ii) by at least three members present in person (or in the case of a member being a corporation by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or (iii) by a member or members present in person (or in the case of a member being a corporation by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or (iv) by a member or members present in person (or in the case of a member being

LETTER FROM THE BOARD

a corporation by its duly authorized representative) 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 shares conferring that right. A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

ANNUAL GENERAL MEETING

A notice convening the AGM to be held at 4:00 p.m. on Wednesday, 30 August 2006 at Conference Room, 1st Floor, The Star Hotel, 89 Lin He Xi Raod, Tianhe, Guangzhou, China is set out on pages 16 to 20 of this Circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

You will find enclosed a form of proxy for use at the AGM. Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM, or any adjournment thereof, should you so wish.

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

By Order of the Board
Ho Kam Hung
Executive Director

This appendix includes an explanatory statement required by the Stock Exchange to be presented to Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors.

1. STOCK EXCHANGE RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

2. FUNDING OF REPURCHASES

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the memorandum of association and Bye-Laws of the Company and the laws of Bermuda. Such repurchases may only be effected out of the capital paid up on the repurchased shares or out of the funds of the company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose. Any premium payable on a repurchase over the par value of the shares to be repurchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the shares are repurchased.

As compared with the financial position of the Company as at 5 July 2006 (being the date to which the latest audited financial statements of the Company have been made up), the Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company in the event the proposed repurchases were to be carried out in full during the proposed repurchase period.

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 of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

3. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 566,241,300 Shares.

Subject to the passing of the relevant ordinary resolutions to approve the general mandates to issue and repurchase Shares and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Directors would be allowed under the repurchase proposal to exercise the powers of the Company to repurchase a maximum of 56,624,130 Shares. The exact number of Shares in issue will be announced at the AGM.

4. REASONS FOR REPURCHASES

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

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and the memorandum and Bye-Laws of the Company.

6. EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert, depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the following are shareholdings of Mr. Ho Tsam Hung and Mr. Ho Kam Hung in the Company:

Each of Mr. Ho Tsam Hung and Mr. Ho Kam Hung is interested in approximately 31.58% of the issued share capital of High Rank Enterprises Limited which held 31,700,000 Shares, representing approximately 5.6% of the issued share capital of the Company. Mr. Ho Tsam Hung owns 100% of the issued share capital of Morgan Estate Assets Limited which held 14,500,000 Shares, representing approximately 2.56% of the issued share capital of the Company. Mr. Ho Kam Hung owns 100% of the issued share capital of Morcambe Corporation which held 27,000,000 Shares, representing approximately 4.77% of the issued share capital of the Company. The aggregate shareholding interest of Mr. Ho Tsam Hung and Mr. Ho Kam Hung in the Company is 73,200,000 Shares, representing approximately 12.93% of the issued share capital of the Company.

In the event the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate and on the assumption that no further shares are issued or repurchased from the Latest Practicable Date to the date of the AGM, the shareholding interest of Mr. Ho Tsam Hung and Mr. Ho Kam Hung would increase to approximately 14.36% of the issued share capital of the Company and Mr. Ho Tsam Hung and Mr. Ho Kam Hung, together with parties acting in concert with them, would not be obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not intend to exercise the power to repurchase Shares to an extent which would render the aforesaid

Shareholder or any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Board will endeavour to ensure that the exercise of the Repurchase Mandate will not result in less than 25% of the Shares being held by the public.

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company. No connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of Shares.

8. SHARE REPURCHASE MADE BY THE COMPANY

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

9. SHARE PRICE

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the twelve months last preceding the Latest Practicable Date were as follows:

| | Shares | |
|--|------------------------|-----------------------|
| | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
| 2005 | | |
| July | 0.70 ⁽¹⁾ | 0.34 ⁽¹⁾ |
| August | 0.45 ⁽¹⁾ | 0.34 ⁽¹⁾ |
| September | 0.55 ⁽¹⁾ | 0.31 ⁽¹⁾ |
| October | N/A ⁽²⁾ | N/A ⁽²⁾ |
| November | N/A ⁽²⁾ | N/A ⁽²⁾ |
| December | 0.27 ⁽¹⁾ | 0.19 ⁽¹⁾ |
| 2006 | | |
| January | 0.23 ⁽¹⁾ | 0.17 ⁽¹⁾ |
| February | 0.40 ⁽¹⁾ | 0.18 ⁽¹⁾ |
| March | 0.38 ⁽¹⁾ | 0.24 ⁽¹⁾ |
| April | 0.38 ⁽¹⁾ | 0.22 ⁽¹⁾ |
| May | N/A ⁽²⁾ | N/A ⁽²⁾ |
| June | N/A ⁽²⁾ | N/A ⁽²⁾ |
| July 2006 till the Latest Practicable Date | 0.24 | 0.162 |

(1) Share prices are consolidated on a one-to-ten basis.

(2) Trading in Shares suspended for the whole month.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the memorandum of association and the Bye-Laws of the Company following documents will be available for inspection free of charge at the principal place of business of the Company during normal business hours up to noon on 29 August 2006.

Executive Directors

Mr. Ho Tsam Hung, aged 53, is the Executive Vice-Chairman of the Company. Mr. Ho has over 20 years' experience in property investment and development in the Mainland China and Hong Kong, and has more than 5 years' experience in high-tech investments in the Mainland China. Mr. Ho Tsam Hung is a brother of Mr. Ho Kam Hung, another executive director of the Company. Mr. Ho Tsam Hung is also the brother of Mr. Ho Pak Hung, who has interests in 27,000,000 Shares of the Company through a controlled corporation, On Tai Profits Limited, representing approximately 4.77% of the issued share capital of the Company.

Mr. Ho has not held any directorships in any other listed public companies in the last three years. As at the Latest Practicable Date, he has interests in 14,500,000 Shares of the Company through a controlled corporation within the meanings of Part XV of the Securities and Futures Ordinance. Moreover, he is interested in approximately 31.58% of the issued share capital of High Rank Enterprises Limited ("High Rank"), which High Rank holds 31,700,000 Shares of the Company as at the Latest Practicable Date.

Since the expiration of his service contract with the Company in September 2000, there was no service contract entered into between the Company and Mr. Ho, but he is subject to retirement by rotation and eligible for re-election at annual general meeting of the Company in accordance with the provisions of Bye-laws of the Company. At present, Mr. Ho is entitled to a monthly fee of HK\$20,000. Save for the matters disclosed above, there is no information that is required to be disclosed pursuant to paragraph (h) to (v) of Rule 13.51(2) of the Listing Rules, and there are no other matters that need to be brought to the Shareholders' attention regarding his election.

Mr. Yang Jia Jian, aged 41, is an executive director of the Company. He holds a bachelor degree in economics from a university in China. Mr. Yang has over 18 years' experience in project management.

Mr. Yang has not held any directorships in any other listed public companies in the last three years. He does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, he does not have any interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Yang has not entered into any service contract with the Company nor is he appointed for any specific length of services of the Company, but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the provisions of Bye-laws of the Company. At present, Mr. Yang is entitled to a monthly fee of HK\$20,000. Save for the matters disclosed above, there is no information that is required to be disclosed pursuant to paragraph (h) to (v) of Rule 13.51(2) of the Listing Rules, and there are no other matters that need to be brought to the Shareholders' attention regarding his election.

Non-executive Directors

Ms. Lam Kuo, aged 57, is the Non-Executive Chairman of the Company. She graduated from the Beijing College of Foreign Languages and has over 20 years' business experience in the Mainland China, Hong Kong and Macau.

Ms. Lam has not held any directorships in any other listed public companies in the last three years. She does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, she does not have any interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Ms. Lam is appointed for a term of one year up to 24 August 2006 and is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the provisions of Bye-laws of the Company. At present, Ms Lam is entitled to receive a fee of HK\$120,000 upon completion of her term of service. Save for the matters disclosed above, there is no information that is required to be disclosed pursuant to paragraph (h) to (v) of Rule 13.51(2) of the Listing Rules, and there are no other matters that need to be brought to the Shareholders' attention regarding her election.

Ms. Yeung Mo Sheung, Ann, aged 41, is a non-executive director of the Company. She holds a bachelor degree of retail marketing from the Manchester Metropolitan University, United Kingdom and a diploma in marketing from the Chartered Institute of Marketing in United Kingdom. She pursued her further study on legal courses and has been awarded a diploma in legal practice by the Manchester Metropolitan University, United Kingdom in 1998 and is presently a partner of Messrs. Fung & Fung, a solicitor firm in Hong Kong. She is also an independent non-executive director of Macau Success Limited (Stock Code: 487).

Saved as disclosed above, Ms. Yeung has not held any directorships in any other listed public companies in the last three years. She does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, she does not have any interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Ms. Yeung is appointed for a term of one year up to 31 December 2006 and is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the provisions of Bye-laws of the Company. At present, Ms Yeung is entitled to receive a fee of HK\$140,000 per annum. Save for the matters disclosed above, there is no information that is required to be disclosed pursuant to paragraph (h) to (v) of Rule 13.51(2) of the Listing Rules, and there are no other matters that need to be brought to the Shareholders' attention regarding her election.

Independent Non-executive Directors

Mr. Wong Ting Kon, aged 35, is an independent non-executive director of the Company. He is also a member of the Audit Committee of the Company. He holds a bachelor degree in commerce from University of Windsor, Canada. He is a Certified Public Accountant (Practising) of The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. He is a partner of Chan Wong & Company CPA.

Mr. Wong has not held any directorships in any other listed public companies in the last three years. He does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, he does not have any interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Wong is appointed for a term of one year up to 31 December 2006 and is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the provisions of Bye-laws of the Company. At present, Mr. Wong is entitled to receive a fee of HK\$140,000 per annum. Save for the matters disclosed above, there is no information that is required to be disclosed pursuant to paragraph (h) to (v) of Rule 13.51(2) of the Listing Rules, and there are no other matters that need to be brought to the Shareholders' attention regarding his election.

Mr. Lawrence K. Tam, aged 61, is an independent non-executive director of the Company. He is also a member of the Audit Committee of the Company. He is a seasoned banking and finance professional. He is a member of The Institute of Chartered Secretaries and Administrators, the United Kingdom, and holds a Post-Graduate Diploma in Management Studies from the University of Hong Kong and completed the Pacific Rim Bankers Program at the University of Washington, Seattle, the United States of America.

Mr. Tam has not held any directorships in any other listed public companies in the last three years. He does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, he does not have any interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Tam is appointed for a term of one year up to 14 December 2006 and is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the provisions of Bye-laws of the Company. At present, Mr. Tam is entitled to receive a fee of HK\$180,000 per annum. Save for the matters disclosed above, there is no information that is required to be disclosed pursuant to paragraph (h) to (v) of Rule 13.51(2) of the Listing Rules, and there are no other matters that need to be brought to the Shareholders' attention regarding his election.

Ms. Wong Miu Ting Ivy, aged 44, is an independent non-executive director of the Company. She is also a member of the Audit Committee of the Company and possesses the appropriate professional qualifications and related financial management expertise as required under Rule 3.10(2) of the Listing Rules. She holds a Bachelor Degree in Accounting and Financial Management from Loughborough University of Technology, England. She is a Certified Public Accountant (Practising) of The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. Ms. Wong has over 20 years of experience in auditing and business advisory. She also has experience in the IPOs of various companies and has been providing financial advisory services to listed companies in relation to accounting, internal control and financial matters.

Ms. Wong has not held any directorships in any other listed public companies in the last three years. She does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, she does not have any interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Ms. Wong is appointed for a term of one year up to 14 December 2006 and is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the provisions of Bye-laws of the Company. At present, Ms. Wong is entitled to receive a fee of HK\$180,000 per annum. Save for the matters disclosed above, there is no information that is required to be disclosed pursuant to paragraph (h) to (v) of Rule 13.51(2) of the Listing Rules, and there are no other matters that need to be brought to the Shareholders' attention regarding her election.



ZHONG HUA INTERNATIONAL HOLDINGS LIMITED

中華國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1064)

NOTICE IS HEREBY GIVEN that an annual general meeting of Zhong Hua International Holdings Limited (the “Company”) will be held at 4:00 p.m. on Wednesday, 30 August 2006 at Conference Room, 1st Floor, The Star Hotel, 89 Lin He Xi Raod, Tianhe, Guangzhou, China for the following purposes:

1. To receive and consider the audited financial statements and reports of the directors and auditors of the Company for the year ended 31 December 2005.
2. To re-elect Mr. Ho Tsam Hung as an executive director of the Company.
3. To re-elect Mr. Yang Jia Jian as an executive director of the Company.
4. To re-elect Ms. Yeung Mo Sheung, Ann as a non-executive director of the Company.
5. To re-elect Ms. Lam Kuo as a non-executive director of the Company.
6. To re-elect Mr. Wong Ting Kon as an independent non-executive director of the Company.
7. To re-elect Mr. Lawrence K. Tam as an independent non-executive director of the Company.
8. To re-elect Ms. Wong Miu Ting, Ivy as an independent non-executive director of the Company.
9. To authorise the board of directors to fix the remuneration of the directors of the Company.
10. To re-appoint auditors and authorise the board of directors to fix their remuneration.

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, pass, with or without amendments, the following resolutions which will be proposed, as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

11. “**THAT:**

- (A) subject to paragraph (C) of this resolution 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 hereby 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 (A) and (B) of this resolution above, 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 the 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 Bye-Laws 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
- (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; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and Bye-laws of the Company or any applicable law of Bermuda to be held; or
- (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.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares open for a period fixed by the Directors 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 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).”

12. **“THAT:**

- (A) subject to paragraph (C) of this resolution below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares 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 shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to repurchase such shares are subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph (A) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (C) the aggregate nominal amount of share capital of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (A) of this resolution above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution; and
- (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; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and Bye-laws of the Company or any applicable law of Bermuda to be held; or
- (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.”

NOTICE OF ANNUAL GENERAL MEETING

13. “**THAT** conditional upon the passing of ordinary resolution nos. 11 and 12 in the notice convening the annual general meeting of the Company, the aggregate nominal amount of the share capital of the Company which are repurchased by the Company pursuant to and in accordance with the said ordinary resolution no. 12 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 said ordinary resolution no. 11.”
14. “**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 11 June 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 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 pursuant to the exercise of such options.”

By Order of the Board
Goh Choo Hwee
Company Secretary

Hong Kong, 14 July 2006

Executive Directors

Mr. Ho Tsam Hung (*Vice Chairman*)
Mr. Ho Kam Hung (*Managing Director*)
Mr. Yang Jia Jian

Non-executive Directors

Ms. Lam Kuo (*Chairman*)
Ms. Yeung Mo Sheung, Ann
Mr. Young Kwok Sui

Independent Non-executive Directors

Mr. Wong Ting Kon
Mr. Lawrence K. Tam
Ms. Wong Miu Ting, Ivy

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A form of proxy for the meeting is enclosed.
2. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
3. The instrument appointing a proxy shall 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 its seal or under the hand of an officer, attorney or other person duly authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch share registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date.
5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.