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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)*

**SUBDIVISION OF SHARES  
CHANGE IN BOARD LOT SIZE FOR TRADING**

The Directors wish to announce the expected timetable and details of the arrangement for trading in connection with the proposed Subdivision and Change In Board Lot Size.

**INTRODUCTION**

Reference is made to the announcement dated 11th July, 2001 ("Announcement") issued by the Company Zhong Hua International Holdings Limited (the "Company") in relation to the proposal for subdivision of shares and change in board lot size for trading. Unless otherwise defined, terms used in this announcement shall have the same meanings as those used in the Announcement.

**DESPATCH OF CIRCULAR**

A circular dated 17th July, 2001 ("Circular") containing details of the Proposal and a notice convening the SGM to approve the Proposal was despatched to the Shareholders on 20th July, 2001.

**EXPECTED TIMETABLE**

**2001**

Latest time for the Shareholders to lodge forms of proxy

in respect of the SGM..... 11:30 a.m. Monday, 6th August

SGM..... 11:30 a.m. Wednesday, 8th August

Effective date of Subdivision and Change In Board Lot Size ..... on Thursday, 9th August

Original counter for trading in existing Shares in  
board lots of 2,000 Shares temporarily closes ..... 10:00 a.m. on Thursday, 9th August

Temporary counter for trading in board lots of 10,000 Subdivided  
Shares (in the form of existing share certificates) opens ..... 10:00 a.m. on Thursday, 9th August

First day of free exchange of certificates for existing Shares  
for new share certificates for the Subdivided Shares ..... on Thursday, 9th August

Original counter for trading in Subdivided Shares in board lots of  
10,000 Subdivided Shares (only new share certificates for the  
Subdivided Shares can be traded at this counter) reopens ..... 10:00 a.m. on Thursday, 23rd August

Parallel trading commences ..... 10:00 a.m. on Thursday, 23rd August

Temporary counter for trading in the board lots of 10,000 Subdivided  
Shares (in the form of existing share certificates) ends ..... 4:00 p.m. on Thursday, 13th September

Parallel trading in Subdivided Shares (in the form of new certificates  
for Subdivided Shares and certificates for existing Shares) ends ..... 4:00 p.m. on Thursday, 13th September

Last day for free exchange of certificates for existing Shares for  
new certificates for Subdivided Shares ..... 4:00 p.m. on Thursday, 20th September

## **TRADING ARRANGEMENTS**

Currently, existing Shares are traded in board lots of 2,000 Shares, and will continue to be so traded up to and including 8th August, 2001 (or such later date as may be notified by the Company).

After the Subdivision has become effective from 9th August, 2001 (or such later date as may be notified by the Company) and until the expiry of the parallel trading period mentioned above (which is expected to be 13th September, 2001) and for the purposes of trading in the existing Shares, references in share certificates to Shares shall be construed so that each existing Share will be deemed to be five Subdivided Shares. Accordingly, every existing certificate for a number of Shares will be deemed to be a certificate for five times that number of Subdivided Shares of HK\$0.02 each. For example, a share certificate for an

existing board lot of 2,000 Shares will be deemed to be a certificate for 10,000 Subdivided Shares of HK\$0.02 each. The stock code for the Subdivided Shares is 2973.

The Subdivided Shares will be traded in board lots of 10,000 Subdivided Shares (in the form of existing certificates for Shares) from 9th August, 2001 to 13th September, 2001 or in board lots of 10,000 Subdivided Shares (in the form of new certificates) from 23rd August, 2001 onwards. So far as is possible, certificates for Subdivided Shares will be issued in board lots of 10,000 Shares.

As no odd-lots of Subdivided Shares will arise as a result of the Share Subdivision, no special arrangement will be made in relation thereto.

Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Subdivided Shares and such approval was conditionally granted on 30th July, 2001. Subject to the passing of an ordinary resolution at the SGM, it is proposed that:

1. From Thursday, 9th August, 2001, the original counter for trading in Shares in board lots of 2,000 Shares will be removed and a temporary counter will be established for trading in the Subdivided Shares in board lots of 10,000 Subdivided Shares (in the form of existing certificates for Shares). Certificates for HK\$0.10 nominal value shares can be traded only at this counter.
2. With effect from 23rd August, 2001, the original counter for trading will be reopened and will become a counter for trading in the Subdivided Shares in board lots of 10,000 Subdivided Shares. Only new share certificates denominated in HK\$0.02 nominal value can be traded at this counter.
3. From 23rd August, 2001 to 13th September, 2001 inclusive, parallel trading will be permitted at the above two counters.
4. The temporary counter for trading in share certificates in board lots of 10,000 Subdivided Shares will be removed after the close of trading hours on 13th September, 2001. Thereafter, trading will be in board lots of 10,000 Subdivided Shares only and certificates for Shares of HK\$0.10 nominal value will cease to be marketable and will not be acceptable for dealing purposes. However, such certificates will continue to be good evidence of legal title and may be lodged with the Registrars in exchange for Subdivided Shares at any time at a charge.

## **ACTION TO BE TAKEN**

Subject to the passing of the resolution at the SGM, Shareholders are requested to lodge the relevant share certificates with the Registrars as soon as possible on or after 9th August, 2001.

If the relevant share certificates are lodged with the Registrars on or before 4:00 p.m. on 20th September, 2001, new share certificates for the Subdivided Shares will be issued to Shareholders free of charge. Unless otherwise instructed, new share certificates will be issued in board lots of 10,000 Subdivided Shares.

Shareholders should note that after 13th September, 2001, it will not be possible to deal in the existing Shares on the basis of certificates denominated in HK\$0.10 nominal value and that unless the relevant existing share certificates are received by 4:00 p.m. on 20th September, 2001, the usual charge of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be made on the higher of the following:

- (i) the number of new share certificates for the Subdivided Shares issued; or
- (ii) the number of certificates for existing Shares cancelled.

It is expected that new share certificates will be available for collection normally within a period of 10 business days after the date of submission of certificates for existing Shares to the Registrars for exchange. If Shareholders are able to lodge their certificates of existing Shares with the Registrars during normal business hours on 9th August, 2001, new share certificates will be available for collection during normal business hours on 23rd August, 2001. New share certificates for Subdivided Shares will be issued in the color of purple to distinguish from the existing share certificates of red in color and the color of the Company's logo shall remain unchanged.

By Order of the Board  
**Zhong Hua International Holdings Limited**  
**Ho Tsam Hung**  
*Chairman*

Hong Kong, 31st July, 2001

*\* For identification purpose only*

Please also refer to the published version of this announcement in the i-Mail.