



## Financial information of the Group after Completion

The unaudited turnover, profit before tax and profit after tax for the 6 months ended 30th June, 2002 of the above are as follows:

(HK\$'000)	Property investment and development	English learning services	Technology consultancy services
Turnover	1,612	187	–
Profit/(Loss) before tax	960	(80)	(215)
Profit/(Loss) after tax	643	(80)	N/A

*Note 1:* The figure represents the share of results of a jointly controlled entity which the Group holds 35% shareholding.

The following proforma balance sheet of the Group after the Asset Disposal is prepared based on the unaudited consolidated balance sheet of the Group as at 30th June, 2002, adjusted to reflect the effects of the Asset Disposal on the date of Completion:

	HK\$'000
Non-current assets	806,653
Current assets	109,812
Current liabilities	(100,671)
Net current assets	9,141
Non-current liabilities	(113,774)
Total assets value less liabilities	702,020

**The Stock Exchange has also stated that they will closely monitor all future acquisitions or disposals of assets by the Group, including but not limited to the acceptance of the Third Instalment Substitution Units, and the Fourth Instalment Substitution Units, the Consideration Units as settlement of the Consideration and the exercise of the Option Deed. The Stock Exchange has indicated it has the discretion to require the Company to issue a circular to the shareholders of the Company irrespective of the size, particularly where the proposed transactions represent a departure from the principal activities of the Company. Furthermore, the Stock Exchange has the power to aggregate a series of transactions of the Group and any such transactions may result in the Group being treated as making a very substantial acquisition and as if it were a new listing applicant.**

## GENERAL

The Asset Disposal constitutes a major transaction for the Company under the Listing Rules and is subject to approval by the Company's shareholders at the Company's special general meeting to be convened. The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

A circular of the Company containing, inter alia, details of the Asset Disposal and the Acquisition, together with a notice of special general meeting of the Company, will be despatched to the shareholders of the Company as soon as practicable.

## RESUMPTION OF TRADING IN SHARES OF COMPANY

Trading in the shares of the Company was suspended with the effect from 9:30 a.m. on Wednesday, 6th November, 2002 at the request of the Company pending the publication of this Announcement. Application has been made for the resumption of trading of shares of the Company with effect from 9:30 a.m. on Tuesday, 12th November, 2002.

**As Completion is subject to the fulfillment of a number of conditions, and hence may or may not take place, shareholders of the Company and investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

“Acquisition”	The acceptance of the Consideration Units by China Land as part of the Consideration
“Agreement”	the conditional sale and purchase agreement dated 25th October, 2002 entered into between China Land and the Purchaser in relation to the Asset Disposal
“Ample Dragon”	Ample Dragon Limited, a company with limited liability incorporated in the British Virgin Islands and a 51% owned subsidiary of the Company before Completion
“Ample Dragon Group”	Ample Dragon and its subsidiaries
“Ample Dragon Shareholders Agreement”	the shareholders agreement dated 29th June, 2001 made between the Vendor, Empower and Ample Dragon regarding the rights and obligations of the Vendor and Empower as shareholders of Ample Dragon
“Asset Disposal”	the disposal by China Land of 51% equity interest of Ample Dragon to the Purchaser pursuant to the Agreement
“associate”	having the meaning ascribed thereto under the Listing Rules
“Average Valuation”	the total valuation of a particular phase of GZ Property Project (as determined by the Valuer) divided by the total gross floor area of that particular phase of GZ Property Project
“Business Day”	any day (other than a Saturday) on which banks in Hong Kong are generally open for business
“China Land” or “Vendor”	China Land Realty Investment (BVI) Limited, a company with limited liability incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company, being vendor to the Agreement
“Clubhouse”	A residential clubhouse located within Phase II Development. Subject to the valuation to be conducted by the Valuer, Ample Dragon Group's interests is estimated approximately at HK\$9 million
“Commercial Podium”	A commercial podium located within Phase I Development. Subject to the valuation to be conducted by the Valuer, Ample Dragon Group's interests is estimated approximately at HK\$173 million
“Company”	Zhong Hua International Holdings Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the terms and subject to the conditions of the Agreement
“Completion Date”	the date of Completion
“Completed Units”	include both completed residential units and car parking spaces
“Consents”	includes any licence, consent, approval, authorisation, permission, waiver, order, confirmation or exemption issued by and/or obtained from the relevant government departments in the PRC and/or Hong Kong including but not limited to the Stock Exchange and/or elsewhere
“Consideration”	the consideration for the sale and purchase of the Sale Shares, being HK\$120 million in cash and the Consideration Units
“Consideration Units”	a total gross floor area of 23,000 square metres of Completed Units of Phase IV Development subject to adjustment (if any) in accordance with the terms of the Agreement, which has an estimated value of HK\$230 million
“Deed of Confirmation”	the deed of confirmation to be executed by GZ Dongxun pursuant to the Agreement confirming its obligations thereunder
“Directors”	the directors of the Company
“Empower”	Empower Assets Limited, a company with limited liability incorporated in the British Virgin Islands
“Fourth Instalment Substitution Units”	a total gross floor area of 6,849 square metres of Completed Units of Phase III Development subject to adjustment (if any) in accordance with the terms of the Agreement
“Group”	the Company and its subsidiaries
“GZ Dongxun”	Guangzhou Dongxun Real Estate Development Company Limited (廣州市東迅房地產發展有限公司), a limited company established under the PRC laws as a sino foreign cooperative joint venture enterprise
“HK Dongxum”	Dongxum Real Estate Development Company Limited, a limited company incorporated in Hong Kong
“GZ Property Project”	means the property development project known as Guangzhou Hai Zhu Peninsula Garden (廣州海珠半島花園) involving the construction and management of composite residential buildings, clubhouse and commercial podiums constructed or to be constructed on and to form part of the Land. GZ Property Project comprises the Commercial Podium, the Clubhouse and four residential phases and the terms “ <b>Phase I Development</b> ”, “ <b>Phase II Development</b> ”, “ <b>Phase III Development</b> ” and “ <b>Phase IV Development</b> ” shall have the same meanings as defined hereto
“HK\$”	Hong Kong dollar(s), the lawful currency in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Land”	Lot Nos. 543, 545, 547 and 549 of Bin Jiang Dong Road, Guangzhou, the PRC, the registered owner of which is GZ Dongxun
“Latest Valuation Report”	shall have the following meanings: (1) in so far as determination of Third Instalment Substitution Units is concerned, shall be the valuation report prepared by the Valuer as at 30th April, 2003; (2) in so far as determination of the Fourth Instalment Substitution Units is concerned, it shall be the valuation report prepared by the Valuer as at 31st December, 2003; and (3) in so far as determination of the Consideration Units is concerned, it shall be the valuation report prepared by the Valuer as at a date no more than 3 months before the Balance Payment Date
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Option Deed”	the option deed to be entered into between China Land and the Purchaser at Completion, pursuant to which the Purchaser shall grant to China Land or its nominee(s)/designate(s) the option to purchase the Option Shares/Sale Shares within the Option Period and subject to the terms therein
“Option Period”	a period commencing from 31st July, 2003 until expiration of 12 (twelve) calendar months after the Balance Payment Date
“Phase I Development”	Phase I development of GZ Property Project which comprises three residential buildings and underground private car-parking spaces. The construction of Phase I Development has been completed. Subject to the valuation to be conducted by the Valuer, Ample Dragon Group's interests is estimated approximately at HK\$49 million
“Phase II Development”	Phase II development of GZ Property Project which comprises three residential buildings and underground private car-parking spaces. The construction of Phase II Development has been completed. Subject to the valuation to be conducted by the Valuer, Ample Dragon Group's interests is estimated approximately at HK\$67 million
“Phase III Development”	Phase III development of GZ Property Project which comprises 531 residential units and 750 underground private car-parking spaces. As at the date of this announcement, Phase III Development is still under construction. Subject to the valuation to be conducted by the Valuer, Ample Dragon Group's interests is estimated approximately at HK\$410.4 million
“Phase IV Development”	Phase IV development of GZ Property Project which will comprise three residential buildings and underground private car-parking spaces. As at the date of this announcement, the site for Phase IV Development is vacant. Subject to the valuation to be conducted by the Valuer, Ample Dragon Group's interests is estimated approximately at HK\$100 million at current stage of development
“Powerex”	Powerex Investment Limited, a limited company incorporated under the laws of Hong Kong
“PRC”	The People's Republic of China
“Purchaser”	Guangdong Properties Investment Ltd., a company incorporated in the British Virgin Islands with limited liability which is and together with its ultimate beneficial owner are independent of and not connected to the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Rmb”	Renminbi, the lawful currency in the PRC
“Sale Shares” or “Option Shares”	153 shares in Ample Dragon, which are held by China Land before Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Instalment Substitution Units”	a total gross floor area of 6,849 square metres of Completed Units of Phase III Development subject to adjustment (if any) in accordance with the terms of the Agreement
“Valuer”	Chesterton Petty Ltd.
“Wider Choice”	Wider Choice Investments Limited, a company with limited liability incorporated in the British Virgin Islands
“%”	Per cent.

By order of the board of  
**Zhong Hua International Holdings Limited**  
**Ho Tsam Hung**  
Chairman

Hong Kong, 11th November, 2002

\* For identification purposes only

*Please also refer to the published version of this announcement in China Daily and Hong Kong Economic Times.*