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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)

**ANNOUNCEMENT ON
EXCEPTIONAL PRICE MOVEMENT
AND TRADING VOLUME**

The Directors have noted the increase in the trading price and volume of the shares of the Company today and wish to state that they are not aware of any reasons for such increase.

Save in respect of the matter disclosed below, there are no negotiations or agreements in relation to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither are the Directors aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Shareholders and public investors are advised to exercise caution when dealing in the shares of the Company.

This statement is made at the request of The Stock Exchange of Hong Kong Limited. The board of directors (the “Directors”) of Zhong Hua International Holdings Limited (the “Company”, together with its subsidiaries “Group”) have noted the increase in the trading price and volume of the shares of the Company today and wish to state that they are not aware of the reasons for such increase.

The Company is currently in discussion with an independent third party regarding a possible acquisition (the “Acquisition”) by the Company of a business in relation to the provision of online game infrastructure platform in PRC. The Directors believe that the Acquisition will further diversify the Group’s business scope into technology related businesses and increase its sources of revenue, which is in line with the Group’s objectives in diversification of the Group’s businesses as disclosed in the interim report for the six months ended 30 June 2003. No agreement has been reached regarding the Acquisition and it may or may not proceed. The negotiations are in early stage and none of the terms, including the consideration, of the Acquisition have been agreed. The Acquisition may or may not constitute a notifiable transaction of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Further announcement will be made as and when appropriate.

Save as mentioned above, neither the Company nor any of its subsidiaries are involved in negotiations or parties to any agreements in relation to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, nor are the Directors aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

As the Acquisition may or may not proceed, shareholders and public investors are advised to exercise caution when dealing in the shares of the Company.

This statement is made by order of the board of Directors of which the Directors individually and jointly accept responsibility for the accuracy of this statement.

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

Hong Kong, 15 March 2004

* *for identification purpose only*

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