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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)

ANNOUNCEMENT

The Directors have noted the recent decrease in the price of the shares of the Company and wish to state that save for the possible acquisition of the remaining 19.1% interest in the Subsidiary as mentioned below, they are not aware of any reasons for such decrease.

As the proposed acquisition may or may not proceed, shareholders and potential investors should exercise caution when dealing in shares of the Company.

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The directors of Zhong Hua International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) have noted the recent decrease in the price of the shares of the Company and wish to state that save for the following matters, they are not aware of any reasons for such decrease.

The Group is conducting preliminary negotiations in relation to a possible acquisition of the remaining 19.1% interest in a subsidiary of the Company namely GuangZhou Sky City Network Communication Ltd. (the “Subsidiary”) from the minority shareholder of the Subsidiary. As at the date of this announcement, no terms of the proposed acquisition has been reached and no agreement has been entered into. If the proposed acquisition materializes, it may constitute notifiable transaction of the Company. **As the proposed acquisition may or may not proceed, shareholders and potential investors should exercise caution when dealing in shares of the Company.** Further announcement will be made as and when required by the Listing Rules.

Save as aforesaid, the Directors confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23, neither is the board of Directors (the “Board”) aware of any matter discloseable under the general obligation imposed by Rule 13.09, which is or may be of a price-sensitive nature.

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

As at the date of this announcement, the Board comprises Mr. Ho Tsam Hung, Mr. Ho Pak Hung and Mr. Ho Kam Hung who are executive Directors, and Mr. Zhang Jie, Mr. Young Kwok Sui and Mr. Ng Kin Sun who are independent non-executive Directors.

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

Hong Kong, 1st December, 2004

* *for identification purpose only*

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