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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

Postponement of the payment of the balance of the Consideration

Reference is made to the announcements of the Company dated 11 November 2002, 1 April 2004 and 26 January 2005 and the circular of the Company dated 13 December 2002 relating to the Disposal.

The Company wishes to advise that at the request of the Purchaser, China Land had agreed to extend the timing for payment of the remaining balance of the Consideration to on or before 30 January 2006.

Unusual price movement

The Directors have noted the increase in the price of the Shares on 28 July 2005 and wish to state that they are not aware of any reasons for such increase.

The Directors also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Postponement of the payment of the balance of the Consideration

Reference is made to the announcements of the Company dated 11 November 2002, 1 April 2004 and 26 January 2005 (collectively, the “Announcements”) and the circular of the Company dated 13 December 2002 relating to the Disposal. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as defined in the Announcements.

Pursuant to the Second Supplemental Agreement, the balance of the Consideration in the amount of HK\$90 million shall be paid on or before 26 July 2005. However, since the total gross floor area of Phase IV Development had exceeded the original approved limit and as a result thereof, the Construction Works Planning Permit for Phase IV Development had been temporarily suspended pending final determination of the maximum limit, the Purchaser therefore requested that the payment of the balance of the Consideration in the amount of HK\$40 million be further deferred to on or before 30 January 2006 without interest. After arm’s length negotiation, China Land agreed to accept part payment in the amount of HK\$50 million on 26 July 2005 as scheduled and further extend the timing for payment of the remaining balance of the Consideration to on or before 30 January 2006. Up to the date of this announcement, a sum of HK\$310 million out of HK\$350 million has been received by China Land from the Purchaser as consideration for the sale of the Sale Shares.

The Directors consider that the postponement of the payment of the balance of the Consideration will not have any material adverse impact on the working capital position of the Group.

Unusual price movement

The Directors have noted the increase in the price of the Shares on 28 July 2005 and wish to state that they are not aware of any reasons for such increase.

The Directors also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the board of Directors (the "Board") aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of which 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, 28 July 2005

As at the date of this announcement, the Board comprises (i) Mr. Ho Tsam Hung, Mr. Yang Jia Jian and Mr. Ho Kam Hung as executive Directors; (ii) Ms. Yeung Mo Sheung, Ann as non-executive Director; and (iii) Mr. Ng Kin Sun, Mr. Young Kwok Sui and Mr. Wong Ting Kon as independent non-executive Directors.

* *For identification purpose only*

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