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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)

SECOND EXTENSION AGREEMENT IN RELATION TO EXTENSION OF LONG STOP DATE OF ACQUISITION OF THE TARGET COMPANY AND LITIGATION PROGRESS UPDATE

The Second Extension Agreement

On 26 May 2017, the Group and the Vendor entered into the Second Extension Agreement to extend the Long Stop Date for completion of the Agreement (as amended by the Previous Deferral Agreements) from 30 June 2017 to 30 June 2018.

Other than the extension of the Long Stop Date, all terms and conditions of the Agreement (as amended by the Previous Deferral Agreements and the Second Extension Agreement) remain valid and binding to the parties thereto.

Litigation Progress Update

The Company would like to inform its shareholders and investors that no new development of the Appeal took place since 21 March 2017, the date of the Annual Report 2016.

THE SECOND EXTENSION AGREEMENT

Reference is made to the announcement of Zhong Hua International Holdings Limited (the “Company”) dated 26 May 2016 (the “2016 Announcement”). Unless otherwise defined, terms used herein shall have the same meanings as those defined in the 2016 Announcement.

Since June 2016, the Group and the Vendor have not yet concluded any revised terms for the settlement of the consideration for, and completion timetable in relation to the uncompleted tranches under, the Agreement. As such, the Group and the Vendor, on 26 May 2017, entered into a second extension agreement (the “Second Extension Agreement”) to further extend the Long Stop Date to 30 June 2018 with an aim to arrive revised terms for the Agreement.

The Directors consider that the execution of the Second Extension Agreement is in the interest of the Company and its Shareholders as a whole as the Group are given more time to proceed with the Acquisition without payment of additional Deferred Interest.

Other than the extension of the Long Stop Date to 30 June 2018 pursuant to the Second Extension Agreement, the Directors confirm that all terms and conditions of the Agreement (as amended by the Previous Deferral Agreements and the Second Extension Agreement) remain valid and binding to the parties thereto.

In the event that there is material variation to the terms of the Agreement (as amended by the Previous Deferral Agreements and the Second Extension Agreement), the Company will comply with the relevant Listing Rules requirements and make disclosure as and when it is appropriate.

LITIGATION PROGRESS UPDATE

Reference is made to the annual report of the Company dated 21 March 2017 (the “Annual Report 2016”) in relation to, amongst other things, an appeal filed by a third party as the appellant against 廣州市正大房地產開發有限公司 (Guangzhou Zheng Da Real Estate Development Company Limited (“GZ Zheng Da”) and Zheng Da Real Estate Development Company Limited (正大房地產開發有限公司) (“HK Zheng Da”) as the appellees at Guangzhou Municipal Intermediate People’s Court (廣州市中級人民法院) in August 2009 (the “Appeal”). HK Zheng Da is the Target Company referred to in the Second Extension Agreement.

The Company would like to inform its shareholders and investors that no new development of the Appeal has taken place since 21 March 2017, the date of the Annual Report 2016, and therefore the facts and information about the Appeal as stated in the Annual Report 2016 remain valid. Shareholders and investors are urged to refer to the Annual Report 2016 for background and details of the Appeal.

By Order of the Board
Zhong Hua International Holdings Limited
Ho Kam Hung
Executive Director

Hong Kong, 26 May 2017

As at the date of this announcement, the board of directors of the Company comprises: (i) Ho Kam Hung as executive director; (ii) Young Kwok Sui as non-executive director; and (iii) Tam Kong, Lawrence, Wong Miu Ting, Ivy and Wong Kui Fai as independent non-executive directors.