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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 PURSUANT TO RULE 13.09 (2)  
OF THE LISTING RULES AND  
THE INSIDE INFORMATION PROVISIONS**

Reference is made to the Recession Order Announcement (as defined below) and the purpose of this announcement is to provide an update of the latest development of the Alleged “Liquidation Petition” against GZ Zheng Da, an indirect subsidiary of the Group.

Background of the Alleged “Liquidation Petition” against GZ Zheng Da, which had been initiated since 2009, as well as the Dismissal Order and the Recission Order was summarized in the Recission Order Announcement.

It appeared to the Company’s attention lately that, inter alia, the Alleged Liquidation Notice was posted in a public domain in Mainland China. In the said notice, it was mentioned that the Guangzhou Court had appointed Guangdong Jinzhen Law Firm (廣東金圳律師事務所) as the liquidation group of GZ Zheng Da pursuant to a plead made by 越房私企 and a directive (指令) granted by the Guangdong Court.

Both the Company and GZ Zheng Da are in doubt to the pre-requisites of compulsory liquidation petition (強制清算申請) pleaded by 越房私企 which is neither a registered shareholder nor a creditor of GZ Zheng Da.

The Company, HK Zheng Da and GZ Zheng Da jointly represent as follows:

- (i) the Sino partner of GZ Zheng Da remains as 越秀國企 holding 0% equity interest therein per the record of the Credit Report to-date. A joint venture partner holding 0% interest is not regarded as an equity holder of the subject joint venture;
- (ii) 越房私企, a private enterprise which was assumed to have acquired certain assets from 越秀國企 in 2006, claimed that it took up the interest in GZ Zheng Da from 越秀國企 but as of to-date 越房私企 was unable to submit any official record in accordance with then legal requirements to substantiate its claim. From the perspective of GZ Zheng Da, 越房私企 is not 越秀國企;
- (iii) with the unanimous consent of the boards of directors of both GZ Zheng Da and HK Zheng Da, its 100% owned shareholder, the joint venture period of GZ Zheng Da has been extended for a further 15 years in 2008 in accordance with the terms of the relevant joint venture agreement; and
- (iv) the registration status (登記狀態) of GZ Zheng Da disclosed in the Credit Report is "Enterprise in Operation (in Business) (在營(開業)) as to-date and Ho Kam Hung, an executive director of the Company, has retained as the authorised representative since its establishment in 1993.

This is the second time GZ Zheng Da encountered a compulsory liquidation plead made by 越房私企, the first of similar kind was made in 2009 but quashed by the People's Court in 2021. The Company is surprised of the appearance of the Alleged Liquidation Notice again as its compulsory liquidation claim (強制清算主張) appears to be not conforming to the compulsory liquidation regulations and due judicial procedures of the People's Courts.

GZ Zheng Da and HK Zheng Da are seeking legal and professional advice with an objective to :

- (i) ascertaining if the Alleged Liquidation Notice was made in accordance with the prevailing PRC laws and compulsory liquidation regulations;
- (ii) ascertaining if the legal grounds of compulsory liquidation causes (強制清算事由) pleaded by 越房私企 is substantiated; and
- (iii) taking legal, administrative or other practical actions to solve the said deadlock.

Accordingly, it is premature to assess the legal or financial implications of the Alleged Liquidation Notice to GZ Zheng Da, if any, at this stage. Should there be any update on the legal or financial status of GZ Zheng Da, further announcements will be made by the Company as soon as practicable.

This announcement is made by Zhong Hua International Holdings Limited (the “Company”) pursuant to Rule 13.09 (2) of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of Securities and Futures Ordinance.

Reference is made to the sections entitled “Group Structure of GZ Zheng Da” and “Alleged ‘Liquidation Petition’ Against GZ Zheng Da” of “Further Information” chapter set out in the Company’s annual report for the year ended 31 December 2022 (the “Annual Report”). Terms used below shall adopt the same meanings as defined in the Annual Report unless otherwise specified.

Reference is also made to the Company’s announcement dated 27 July 2023 in relation to the Dismissal Order (駁回裁定) and the Recission Order (撤銷裁定) (the “Recission Order Announcement”).

The purpose of this announcement is to provide an update of the latest development of the Alleged “Liquidation Petition” against GZ Zheng Da, an indirect subsidiary of the Group.

## **BACKGROUND OF THE ALLEGED “LIQUIDATION PETITION”**

Background of the Alleged “Liquidation Petition”, which had been initiated since 2009, was summarized in the Recission Order Announcement.

Further details about the lawful authority of the Alleged Liquidation Petition in question have been disclosed in the Annual Report.

## **THE DISMISSAL ORDER**

In mid-May 2021, GZ Zheng Da received a written judgement (民事裁定書) from the Guangzhou Court. The written judgement granted an order to the effect that the Liquidation Petition pleaded by 越房私企 was turned down (駁回強制清算申請裁定) (the “Dismissal Order”) on the grounds that “there are major disputes between the two parties on the cause(s) of dissolution of the company, major assets of the company and interests in partners’ equity and such disputes had not been decided by trial or arbitration yet (雙方對於廣州正大是否發生解散事由、公司主要財產以及公司權益尚有較大爭議，且爭議至今未經訴訟或者仲裁予以確認)”.

In the Dismissal Order, the Guangzhou Court also ascertained that GZ Zheng Da remained “in operation (在業)” and HK Zheng Da had 100% equity interest in GZ Zheng Da.

The Dismissal Order was the first court paper in relation to the Liquidation Petition that GZ Zheng Da had ever received from the Guangzhou Court, over 10 years from the alleged plead made by 越房私企 in 2009. The Company was once pleased to note that the Dismissal Order ruled 越房私企 not qualifying the prerequisites for pleading a liquidation petition against GZ Zheng Da.

越房私企 submitted an appeal to the Dismissal Order at the Guangdong Court as permissible by law in August 2021.

## **THE RESCISSION ORDER**

In mid-June 2023, GZ Zheng Da received a written judgment (民事裁定書) from the Guangdong Court. The written judgment granted an order to the effect that (i) the Dismissal Order granted by the Guangzhou Court was rescinded (撤銷裁定) (the “Rescission Order”); and (ii) the Guangzhou Court was ordered to proceed the case (指令市中院審理本案).

In the Rescission Order, the Guangdong Court concurred with the facts testified by the Guangzhou Court (對市中院查明的事實予以確認) but was of the view that “the equity partners of GZ Zheng Da should exit in order via the liquidation process given their conflicts are significant and the co-operative objective has been lapsed for a prolonged period as well the corporate management is in deadlock. The joint venture partners should proceed the legal means of the liquidation process to sorting out the related disputes in the specific allocation of the joint venture interests and related matters (廣州正大的股東之間矛盾分歧重大，合作目的早已落空，公司經營管理陷入僵局，應當通過清算程序有序退出。合作雙方對於合作權益具體分配等事項的相關爭議，應在公司清算程序中遁法律途徑解決)”.

The Company acknowledged that GZ Zheng Da, as permissible by law, had lodged a re-trial plead (再審申請) at the Highest People’s Court (最高人民法院) (the “Highest Court”) in Beijing, China to petition for, inter alia, (i) rescinding the Rescission Order granted by the Guangdong Court; and (ii) the case be heard by the Highest Court.

The Company was disappointed to the verdict made by the Guangdong Court as it turned down the ruling made by the Guangzhou Court some two years ago.

Notwithstanding the Dismissal Order was dismissed by the Guangdong Court, the Guangzhou Court had questioned the previous trial of the Liquidation Petition not yet ascertained the major disputes such as cause(s) of dissolution of the company, major assets of the company and interests in partners' equity.

It was anticipated that if and when the Guangzhou Court re-considered the Liquidation Petition made by 越房私企, it should convene the pre-liquidation briefing (清算前聽証會) in accordance with the PRC prevailing laws and regulations governing compulsory liquidation, the purpose of which was to brief the interested parties if the appellant was qualified to petition, if the appellee had triggered the cause of dissolution (解散事由) and if the compulsory liquidation petition complied with the legal requirements.

### **THE ALLEGED LIQUIDATION NOTICE**

It appeared to the Company's attention lately that, inter alia, a public notice pertaining to the compulsory liquidation of Guangzhou Zheng Da Real Estate Development Company Limited (廣州市正大房地產開發有限公司強制清算公告) was posted by a third party named as "the Liquidation Group of Guangzhou Zheng Da Real Estate Development Company Limited (廣州市正大房地產開發有限公司清算組)" (the "Alleged Liquidation Notice") in a public domain in Mainland China. In the said notice, it was mentioned that the Guangzhou Court had appointed Guangdong Jinzhen Law Firm (廣東金圳律師事務所) as the liquidation group of GZ Zheng Da pursuant to a plead made by 越房私企 and a directive (指令) granted by the Guangdong Court.

Both GZ Zheng Da and HK Zheng Da, which held 100% equity interest therein, however confirmed to the Company that they had not yet received any notice of summons (for pre-liquidation briefing (清算前聽証會), notices of compulsory liquidation grant (強制清算受理書) or compulsory liquidation order (強制清算決定書), if any, from the Guangzhou Court in accordance with the prevailing PRC laws and regulations governing compulsory liquidation as well as due judicial procedures. In particular, both the Company and GZ Zheng Da are in doubt to the pre-requisites of compulsory liquidation petition (強制清算申請) pleaded by 越房私企 which is neither a registered shareholder nor a creditor of GZ Zheng Da.

### **MANAGEMENT'S REPRESENTATION**

With reference to the above facts and opinion given by the PRC legal counsel and advisers, the Company, HK Zheng Da and GZ Zheng Da jointly represent as follows:

- (i) the Sino partner of GZ Zheng Da remains as 越秀國企 holding 0% equity interest therein per the record of the Credit Report to-date. A joint venture partner holding 0% interest is not regarded as an equity of the subject joint venture;

- (ii) 越房私企, a private enterprise which was assumed to have acquired certain assets from 越秀國企 in 2006, claimed that it took up the interest in GZ Zheng Da from 越秀國企 but as of to-date 越房私企 was unable to submit any official acquisition record in accordance with then legal requirements to substantiate its claim. From the perspective of GZ Zheng Da, 越房私企 is not 越秀國企;
- (iii) with the unanimous consent of the boards of directors of both GZ Zheng Da and HK Zheng Da, its 100% owned shareholder, the joint venture period of GZ Zheng Da has been extended for a further 15 years in 2008 in accordance with the terms of the relevant joint venture agreement; and
- (iv) the registration status (登記狀態) of GZ Zheng Da disclosed in the Credit Report is “Enterprise in Operation (in Business) (在營(開業)) as to-date and Ho Kam Hung, an executive director of the Company, has retained as the authorised representative since its establishment in 1993.

## **IMPLICATIONS OF THE ALLEGED LIQUIDATION NOTICE**

This is the second time GZ Zheng Da encountered a compulsory liquidation plead made by 越房私企, the first of similar kind was made in 2009 but quashed by the People’s Court in 2021. The Company is surprised of the appearance of the Alleged Liquidation Notice again as its compulsory liquidation claim (強制清算主張) appears to be not conforming to the compulsory liquidation regulations and due judicial procedures of the People’s Courts.

GZ Zheng Da and HK Zheng Da are seeking legal and professional advice with an objective to :

- (i) ascertaining if the Alleged Liquidation Notice was made in accordance with the prevailing PRC laws and compulsory liquidation regulations;
- (ii) ascertaining if the legal grounds of compulsory liquidation causes (強制清算事由) pleaded by 越房私企 is substantiated; and
- (iii) taking legal, administrative or other practical actions to solve the said deadlock.

Accordingly, it is premature to assess the legal or financial implications of the Alleged Liquidation Notice to GZ Zheng Da, if any, at this stage. Should there be any update on the legal or financial status of GZ Zheng Da, further announcements will be made by the Company as soon as practicable.

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

Hong Kong, 23 August 2023

*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.*