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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)

EXTENSION OF LONG STOP DATE IN RELATION TO THE ACQUISITION OF THE TARGET COMPANY

On 29 June 2009, the Group and the Vendors entered into the Third Supplemental Agreement to extend the Long Stop Date for completion of the Agreement (as amended by the Second Supplemental Agreement) from 30 June 2009 to 31 December 2009.

Other than the extension of the Long Stop Date, all the terms and conditions of the Agreement (as amended by the Second Supplemental Agreement) remain valid and binding on the parties thereto.

As at the date of this announcement, save for the Second Supplemental Agreement and the Third Supplemental Agreement, no other revised terms in respect of the Agreement have been agreed. In the event that there are material variation to the terms of the Agreement (as amended by the Second Supplemental Agreement and the Third Supplemental Agreement), the Company will comply with the relevant Listing Rules requirements and make disclosure as and when it is appropriate.

Reference is also made to the annual report of the Company for 2008 dated 22 April 2009 (the "Annual Report"). As stated in the Annual Report, a wholly-owned subsidiary of the Target Company had served a writ against its sino partner at the Yuexiu District People's Court in the People's Republic of China in December 2008 and three hearings had been made up to the date of this announcement. It was expected that the judgment would be made by the court within two to three months. The Company will make announcement to update its shareholders in this respect as and when it is appropriate.

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

Reference is made to the announcement of the Company dated 26 October 2007 and the circular dated 26 November 2007 (the “Circular”) in relation to, among other things, the acquisition of the Target Company. Reference is also made to the announcements of the Company dated 31 March 2009 and 2 April 2009 regarding the extension of the Long Stop Date from 31 March 2009 to 30 June 2009 (the “Extension Announcements”) in connection with the acquisition of the Target Company. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Circular and the Extension Announcements.

As disclosed in the Extension Announcements, the Group entered into the Second Supplemental Agreement with the Vendors on 31 March 2009 to extend the Long Stop Date for completion of the Second, the Third and the Fourth Tranches in relation to the Acquisition from 31 March 2009 to 30 June 2009.

Since 31 March 2009, the Group and the Vendors have not yet concluded any revised terms for settlement of the consideration for, and completion timetable in relation to the aforesaid uncompleted tranches under, the Agreement. As such, the Group and the Vendors, on 29 June 2009, entered into the Third Supplemental Agreement to further extend the Long Stop Date by another six months to 31 December 2009 in order to give additional time for the parties to the Agreement to explore any opportunity to arrive at any revised terms for settlement of the consideration for, and completion timetable in relation to the uncompleted tranches, under the Agreement.

As mentioned in the Extension Announcements, the Deferred Interest of approximately RMB22.9 million (equivalent to approximately HK\$25.9 million) is payable by the Group to the Vendors under the terms of the Agreement due to the failure to complete the Second Tranche and the Third Tranche on their respective original expected completion dates. No Deferred Interest is required to be paid in respect of the Fourth Tranche according to the terms of the Agreement. For the avoidance of doubt, despite the extension of the Long Stop Date pursuant to the Second Supplemental Agreement and the Third Supplemental Agreement, no additional Deferred Interest shall be chargeable for the period from 1 April 2009 to 31 December 2009, both days inclusive.

The Directors consider that the entering into of the Third Supplemental Agreement to further extend the Long Stop Date to 31 December 2009 is in the interest of the Company and its shareholders as a whole as the Purchaser and the Company are given more time to proceed with the Acquisition while there is no additional Deferred Interest chargeable for the period from 1 April 2009 to 31 December 2009.

Other than the extension of the Long Stop Date to 31 December 2009 pursuant to the Third Supplemental Agreement, the Directors confirm that all the terms and conditions of the Agreement (as amended by the Second Supplemental Agreement) remain valid and binding on the parties thereto.

As at the date of this announcement, save for the Second Supplemental Agreement and the Third Supplemental Agreement, no other revised terms in respect of the Agreement have been agreed. In the event that there are material variation to the terms of the Agreement (as amended by the Second Supplemental Agreement and the Third Supplemental Agreement), the Company will comply with the relevant Listing Rules requirements and make disclosure as and when it is appropriate.

Reference is also made to the Annual Report which mentioned that a wholly-owned subsidiary of the Target Company had served a writ against its sino partner at the Yuexiu District People's Court in the People's Republic of China in December 2008 and three hearings had been made up to the date of this announcement. It was expected that the judgment would be made by the court within two to three months. The Company will make announcement to update its shareholders in this respect as and when it is appropriate.

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

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

Hong Kong, 29 June 2009

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

* *For identification purpose only*