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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 OF THE LISTING RULES AND RESUMPTION OF TRADING OF SHARES OF THE COMPANY

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Ltd. (the “Stock Exchange”).

Reference is made to the announcement of the Company dated 11 February 2010 (the “First Announcement”) and the subsequent announcements of the Company dated 22 April and 22 June 2010 in relation to, among other things, the Appeal. Terms used herein shall have the same meanings as those defined in the First Announcement unless otherwise specified.

LITIGATION PROGRESS UPDATE

Trading in the shares of the Company (the “Shares”) was suspended on 29 June 2010 (the “Suspension”) after the attention of the Company was drawn to the publication in the Takungpao newspaper in Hong Kong and appearance on an Internet website of a document purporting to be a notice of service addressed to one of the Appellees in relation to the Appeal (the “Purported Notice”). The Company has a 25% attributable interest in each of the Appellees. The Purported Notice is to the effect, amongst other things, that (i) a judgment of the Appeal was made on 4 December 2009; and (ii) the rulings made by the court of first instance were overturned. In order to conduct

enquiries into and seek legal advice on this matter, the Company requested the Suspension pending release of an announcement to clarify the situation.

The Company (but not the Appellees) has also been provided through a third party with a copy (but not an original) of a document purporting to be a judgement dated 4 December 2009 in which rulings in relation to the Appeal were held against the Appellees (the “Purported Judgment”).

As at the date of this announcement, the Appellees had not received from the relevant court any notice of summons or of judgement, or any written judgement since 15 October 2009, the date of the hearing of the Appeal. The Appellees have at all material times remained in contact with the courts of the PRC and the Company confirms that the Appellees have observed all legal processes in respect of the Appeal.

Despite searches of public databases of the relevant court in the PRC, both the Appellees and an independent professional legal search firm commissioned by the Company have been unable to find any official public record of the Purported Notice having been issued by the relevant authority, or that the Purported Judgment is valid.

Under the circumstances that the Appellees have never been served the Purported Notice and the Purported Judgment (collectively the “Purported Documents”) or any other notices of judgement or judgements in the due legal process and having taken independent legal advice, the Company is of the view that:

- the Purported Notice does not conform with the PRC legal provisions and differs materially from the form of a valid notice of service and thus does not constitute a valid notice to the Appellee(s); and
- the Purported Judgment is not an effective disposition of the matter and thus is invalid and void.

Consequently, the Company considers that no further action is required at this stage in respect of the Purported Documents or the Appeal until receipt of formal notice or direction from the relevant court. However, only the courts of the PRC have power to determine with authority the validity and effect of the Purported Documents, and the Company can give no assurance that the courts of the PRC would concur with the independent legal advice received by the Company. If there is any material development about the Purported Documents or the Appeal, further announcements will be made by the Company as circumstances necessitate.

The development project in the Yuexiu District, Guangzhou, which is the sole asset of Guangzhou Zheng Da (one of the Appellees), was intended to be completed in 2013 but the construction schedule is deferred pending the outcome of the Appeal. Meantime, the non-permanent commercial podium at the development site remains to operate as a shoes and footwear wholesale and distribution outlet. Shareholders are advised to read the pages 4 and 7 of Company's annual report for the year ended 31 December 2009 for details about the business of Guangzhou Zheng Da and the background of the Appeal respectively.

The directors of the Company confirm that there are no negotiations or agreements which are discloseable under Rule 13.23 of the Listing Rules, and that, other than the above, they are not 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.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares was suspended with effect from 9:30 a.m. on 29 June 2010 pending the release of this clarification announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 17 August 2010.

Shareholders and investors are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 16 August 2010

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