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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)**

### **UNUSUAL SHARE PRICE AND TRADING VOLUME MOVEMENTS**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board of directors (the “Board”) of Zhong Hua International Holdings Limited (the “Company”) has noted the recent increase in the price and trading volume of the shares of the Company. Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that, save as the conclusion of the legal proceedings as disclosed below, it is not aware of any reasons for the price and trading volume movements or of any information which must be announced to avoid a false market in the Company’s securities or of any inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **CONCLUSION OF LEGAL PROCEEDINGS**

A writ of summons was issued in Hong Kong in August 2005 by a former director of a subsidiary of the Company (the “Plaintiff”) against, inter alia, the Company (the “Defendant”), a wholly owned subsidiary of the Company, and a former director and certain accounting staff of the Company. According to the writ, the Plaintiff claimed certain damages in relation to the acquisition of a subsidiary by the Group from a private company controlled by the Plaintiff in December 2000. In the indorsement of claims, the Plaintiff claimed that a receipt for a consideration of HK\$33,500,000 signed by the private company controlled by the Plaintiff be set aside and demanded for payment of the outstanding consideration in the amount of HK\$33,500,000. The Defendant, together with other defendants, filed a defence in February 2006. No further development took place since then until March 2012.

In March 2012, the Defendant, together with the other defendants, filed an application for dismissing the Plaintiff's claim for want of prosecution. An "unless" order was subsequently made compelling the Plaintiff to proceed with the claim.

In February 2013, the Defendant, together with the other defendants, filed an application for striking out part of the Plaintiff's statement of claim, including the Plaintiff's claim for the alleged outstanding consideration of HK\$33,500,000. In late March 2013, the court granted the application in full with costs. In April 2013, the Plaintiff served a Notice of Appeal against part of the rulings and the appeal was scheduled to be heard in late October 2013.

On 26 September 2013, upon the joint application of the Plaintiff and the Defendant together with other defendants by way of consent summons, the court granted an order (the "Order") that, inter alia, (1) the Plaintiff's appeal be wholly withdrawn; and (2) the Plaintiff's action against the Defendant and other defendants be dismissed. The Company was served a sealed copy of such Order on 17 October 2013.

The Board would like to inform the shareholders of the Company that the above litigation has been concluded. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the order of the Company. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

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

Hong Kong, 23 October 2013

*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.*