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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)**

### **DESPATCH OF CIRCULAR IN RELATION TO THE VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION AND INCREASE IN AUTHORISED SHARE CAPITAL AND CLARIFICATION ANNOUNCEMENT**

The Circular of the Company containing, among other things, (i) details of the Acquisition; (ii) details of the increase in authorised share capital; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iv) a letter of advice from Taifook Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Acquisition; and (v) notice of the SGM of the Company has been despatched to Shareholders on 26 November 2007.

The Board would also like to make clarification with respect to the adjustment of Consideration as set out in the Announcement.

Reference is made to the announcement of the Company dated 26 October 2007 (the "Announcement") in relation to, among other things, the acquisition of the entire issued share capital of the Target Company at a consideration of RMB1,814,800,000 (equivalent to approximately HK\$1,880,000,000). The principal asset held by the Target Company is the entire equity interest in Guangzhou Zheng Da, which in turn holds the Guangzhou Property. Unless the context otherwise requires, terms used herein have the same meanings as defined in the Announcement.

The Circular containing, among other things, (i) details of the Acquisition; (ii) details of the increase in authorised share capital; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iv) a letter of advice from Taifook Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Acquisition; and (v) notice of the SGM of the Company has been despatched to Shareholders on 26 November 2007.

It was stated in the Announcement that the Consideration is to be adjusted on a dollar-for-dollar basis if the audited consolidated net asset value of the Target Group as at 30 June 2007 is not exactly RMB1,814,800,000.

The Board would like to clarify that the adjustment of the Consideration will be based on the audited consolidated net asset value of the Target Group as at 30 June 2007 and adjusted for the valuation by Vigers of the Guangzhou Property as at 31 August 2007 contained in the Circular. Details of the above have been set out in the Circular.

By Order of the Board  
**Zhong Hua International Holdings Limited**  
**Lee Tao Wai**  
*Company Secretary*

Hong Kong, 26 November 2007

*As at the date of this announcement, the Board comprises Messrs. Ho Tsam Hung, Ho Kam Hung and Yang Jia Jian who are executive Directors, Ms. Lam Kuo and Mr. Young Kwok Sui as non-executive Directors, and Messrs. Lawrence K. Tam, Wong Miu Ting, Ivy and Wong Kui Fai who are independent non-executive Directors.*

\* *For identification only*