

**CHINA ZHONGWANG HOLDINGS LTD:
THIS COMPANY IS A WINNER**

The latest addition to the roll of companies, listed on the Main Board of The Stock Exchange of Hongkong Ltd, appears to be a winner.

And, by all accounts, it will be an even bigger winner in the years to come in spite of the global recession.

The company is China Zhongwang Holdings Ltd () (Code: 1333, Main Board, The Stock Exchange of Hongkong Ltd).

The business of China Zhongwang Holdings Ltd is that of being an extruder of aluminium products, mainly for use in the People's Republic of China (PRC).

This Company's record, over the past 3 Financial Years, is impressive and must be the envy of many a manufacturer, anywhere in the world.

The Global Offering is of 1.40 billion, 10-cent shares at a price, not less than \$HK6.80 per share, and not more than \$HK8.80 per share.

Investors of the Hongkong Special Administrative Region (HKSAR) of the PRC are being Offered 140 million shares and international investors are being Offered 1.26 billion shares.

At the midway Offer Price of \$HK7.80 per share, the Company estimates that it will net about \$HK10,586,000,000.

This not inconsiderable amount of money will be used for the following purposes:

1. About 35 percent (\$HK3,705,100,000) for the expansion of production capacity;
2. About 35 percent (\$HK3,705,100,000) to meet the costs of purchasing more manufacturing equipment and facilities for the production of downstream, value-added industrial aluminium extrusion products;
3. About 15 percent (\$HK1,587,900,000) to repay existing debts, due and payable in the coming Financial Year;
4. About 5 percent (\$HK529,300,000) to be used for research and development; and,
5. About 10 percent (\$HK1,058,600,000) to be tipped into the General Working Capital Account.

About the only aspect of any concern in respect of the intended uses of the Net Proceeds from this flotation is Item Number 3 – the repayment of current debts.

At Appendix I-38 of the Global Offering Prospectus, it is stated, inter alia:

'The Group has settled the dividend payable of RMB2,000,000,000¹ to ZIGL² in April 2009.

'In April 2009, the Company declared a final dividend of RMB0.25 per share with an aggregate amount of RMB1,000,000,000 which will be distributed to ZIGL.'

¹ RMB = **Renminbi**, the lawful currency of the PRC

² ZIGL = Zhongwang International Group Ltd, the Controlling Shareholder of the Company which is wholly owned by the Founder, President and Current Chairman, Mr Liu Zhong Tian ().

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