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ZH INTERNATIONAL HOLDINGS LIMITED

正恒國際控股有限公司

(formerly known as Heng Fai Enterprises Limited)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

**VOLUNTARY ANNOUNCEMENT
IMPROVEMENT OF FINANCIAL RESULTS FOR THE NINE
MONTHS ENDED 31 DECEMBER 2015**

This announcement is made by ZH International Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) of the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “SFO”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that based on information currently available, the unaudited final result of the Group is expected to record a substantial decrease of approximately 60% to 80% in loss for the period attributable to owners of the Company (the “Net Loss”) for the nine months ended 31 December 2015 as compared with the Net Loss of HK\$54.9 million for the year ended 31 March 2015. The improvement in the performance of the Group are mainly due to (i) bargain purchase arising from acquisition of subsidiaries and (ii) decrease in administrative expenses in relation to reduce in staff costs (including directors’ emolument) and legal and professional fees in relation to secondary listing and other prospective fund raising exercises in the previous financial year.

The information contained in this announcement is only based on the Company’s preliminary assessment of the consolidated management accounts of the Group, which have not been reviewed by the Company’s auditors. The Company is still in the process of finalizing the Group’s unaudited final results for the nine months ended 31 December 2015. Further details of the Group’s performance will be disclosed when the Group’s unaudited final results for the nine months ended 31 December 2015 are announced.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
ZH International Holdings Limited
Zhang Jingguo
*Chairman, Chief Executive Officer
and Executive Director*

Hong Kong, 4 March, 2016

As at the date of this announcement, the executive Directors are Mr. Zhang Jingguo, Mr. Zhang Guoqiang, Mr. Eric Jackson Chang; the non-executive Director is Ms. Huang Yanping and the independent non-executive Directors are Mr. Liu Da, Dr. Liu Qiao and Mr. Ma Yuntao.