

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**ZH INTERNATIONAL HOLDINGS LIMITED**

**正恒國際控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 185)

**OVERSEAS REGULATORY ANNOUNCEMENT  
RESULTS OF A SUBSIDIARY**

THIS IS NOT THE ANNOUNCEMENT OF THE FINANCIAL RESULTS OF ZH INTERNATIONAL HOLDINGS LIMITED (THE “COMPANY”). THIS ANNOUNCEMENT IS MADE BY THE COMPANY PURSUANT TO RULE 13.10B OF THE LISTING RULES TO PROVIDE SHAREHOLDERS OF THE COMPANY WITH FINANCIAL INFORMATION ON A LISTED SUBSIDIARY OF THE COMPANY, GLOBAL MEDICAL REIT, INC., WHICH HAS ANNOUNCED ITS UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2016.

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Global Medical REIT, Inc. (“GMR”), a subsidiary company of the Company, whose shares are listed on the Over-The-Counter in the United States of America, has announced its unaudited financial results for the three months ended 31 March 2016.

The summary of the unaudited financial results of the GMR for the three months ended 31 March 2016 together with the unaudited comparative figures for the corresponding period of 2015 are provided below:

<b>INCOME STATEMENT (UNAUDITED) (US\$)</b>	<b>3 months ended 31 March 2016</b>	3 months ended 31 March 2015
Total revenue	<b>1,314,059</b>	462,138
EBITDA from established businesses <sup>1,2</sup>	<b>(418,470)</b>	307,831
Depreciation	<b>(398,830)</b>	(152,336)
Interest expense	<b>(1,129,263)</b>	(344,042)
Loss before taxation	<b>(1,946,563)</b>	(188,547)
Taxation	-	-
Loss for the period	<b>(1,946,563)</b>	(188,547)
Funds from operations (“FFO”)	<b>(1,547,733)</b>	(36,211)

<b>BALANCE SHEET (US\$)</b>	<b>As at 31 March 2016 (unaudited)</b>	As at 31 December 2015 (audited)
Total assets	<b>96,096,760</b>	65,328,725
Total liabilities	<b>(83,346,083)</b>	(65,467,333)
Total shareholders’ equity (deficit)	<b>12,750,677</b>	(138,608)
No. of shares outstanding	<b>1,426,656</b>	250,000

*Notes:*

- On 10 November, 2014 GMR entered into a Management Agreement, with an effective date of 1 April, 2014, with Inter-American Management, LLC (“IAM”), a subsidiary of the Company. Under the terms of the Management Agreement, IAM is responsible for designing and implementing GMR’s business strategy and administering its business activities and day-to-day operations. For performing these services, GMR will pay IAM a base management fee equal to the greater of (a) 2.0% per annum of the GMR’s net asset value, or (b) US\$30,000 per calendar month. For the 3 months ended 31 March 2016, management fees charged by IAM were US\$90,000.*
- During the three months ended 31 March 2016, GMR expensed a total of US\$754,000 for one-time acquisition costs that were paid to IAM related to the acquisitions of the Plano, Melbourne and Westland medical facilities.*

During the three months ended 31 March 2016, GMR distributed three monthly dividends payments of US\$0.0852 per share (total dividend paid amounted to US\$164,152), which has achieved the targeted 8.0% annualized yield. GMR made its first monthly dividend payment in July 2014.

Subsequent to the previous financial year ended 31 December 2015, GMR has consistently distributed monthly dividends to its shareholders with annualized yield over 8.0%.

The consistent dividend payment track record to date underscores the validity of the business model of GMR which has to date acquired 12 medical facilities, consisting of an acute care hospital located in Omaha, Nebraska; an orthopedic surgery center in Asheville, North Carolina; an ophthalmology clinic in Pittsburgh, Pennsylvania; a portfolio comprising six licensed patient treatment facilities located in the Memphis, Metropolitan Statistical Area in Tennessee; a medical center in Plano, Texas; a medical office building in Melbourne, Florida; and a medical office building and ambulatory surgery center located in Westland, Michigan. The acquisitions by GMR have generated positive contributions to FFO for GMR. GMR has sustained an annualized dividend yield of 8.0% even as it contemplates its migration to the New York Stock Exchange, an event which will allow GMR to obtain institutional funds to expand its asset base and leverage potential. The latter will, in turn, increase GMR's management fees to be earned by the Company's 85%-held subsidiary, IAM, which will contribute positively to the income and shareholder value of the Company.

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

Hong Kong, 10 May, 2016

*As at the date of this announcement, the executive Directors of the Company 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 Dr. Liu Qiao, Mr. Liu Da and Mr. Ma Yuntao.*

*Any forward-looking statements contained in this announcement are based upon GMR's current assumptions and expectations concerning future events and financial performance and are made pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such statements are subject to significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those reflected in such forward-looking statements. All information provided in this announcement is as of the date of this announcement, and GMR does not undertake any obligation to update any forward-looking statement, except as required under applicable law.*