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ZH INTERNATIONAL HOLDINGS LIMITED

正恒國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that the Condition Precedent of the Subscription has been fulfilled and Completion took place on 30 May 2016. An aggregate of 795,400,000 Shares have been successfully allotted to the Subscribers at the Subscription Price of HK\$0.20 per Subscription Share pursuant to the terms and conditions of the Subscription Agreements.

Reference is made to the announcements of ZH International Holdings Limited (the “Company”) dated 12 May 2016 and 13 May 2016 (collectively “Announcements”) in respect of the Subscription. Unless defined otherwise, capitalized terms used herein shall have the same meaning as those defined in the Announcements.

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that the Condition Precedent of the Subscription has been fulfilled and Completion took place on 30 May 2016. An aggregate of 795,400,000 Shares have been successfully allotted to the Subscribers at the Subscription Price of HK\$0.20 per Subscription Share pursuant to the terms and conditions of the Subscription Agreement.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Subscribers and their ultimate beneficial owners (if any) are Independent Third Parties. None of the Subscribers has become a substantial Shareholder (as defined under the Listing Rules) immediately after Completion. The net proceeds from the Subscription amount to approximately HK\$158.8 million which is intended to be used as the general working capital and repayment of liabilities of the Group and as funds for future development of the Company when the investment opportunities arise.

EFFECTS OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The 795,400,000 Subscription Shares represent approximately 12.88% of the issued share capital of the Company immediately upon Completion.

Set out below is the shareholding structure of the Company immediately before and after Completion:

	Immediately before the Completion		Immediately after the Completion	
	Number of Shares	%	Number of Shares	%
Joy Town Inc. (<i>Note 1</i>)	3,579,612,209	66.52%	3,579,612,209	57.95%
The Subscribers	-	0%	795,400,000	12.88%
Other public Shareholders	1,801,807,760	33.48%	1,801,807,760	29.17%
	<u>5,381,419,969</u>	<u>100.00%</u>	<u>6,176,819,969</u>	<u>100.00%</u>

Notes:

1. Joy Town Inc. is a limited liability company incorporated in the British Virgin Islands. These Shares are held by Joy Town Inc, which is wholly and beneficially owned by Ms. Huang Yanping, a non-executive Director of the Company.
2. The percentages are subject to rounding difference, if any.

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

Hong Kong, 30 May 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 Dr. Liu Qiao, Mr. Liu Da and Mr. Ma Yuntao.